

**Click on a title to view an individual graph**

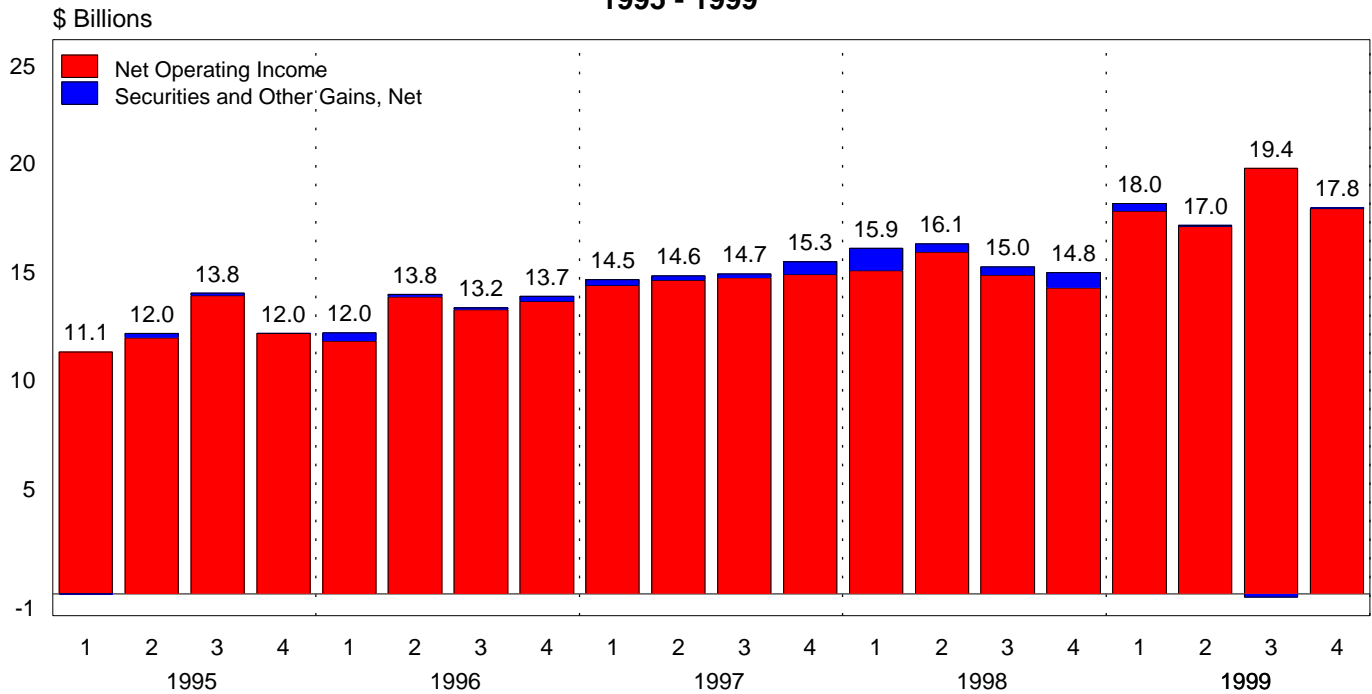
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## **HIGHLIGHTS - FOURTH QUARTER AND FULL YEAR 1999**

- **COMMERCIAL BANKS SET NEW RECORDS FOR ANNUAL EARNINGS, PROFITABILITY**  
Insured commercial banks earned \$71.7 billion in 1999, surpassing their 1998 results by \$9.9 billion (16.0 percent). The industry's return on assets (ROA) rose to a record-high 1.31 percent, from 1.19 percent in 1998. The previous record for full-year ROA was 1.23 percent, reached in 1997. The industry's return on average equity (ROE) rose to 15.34 percent, from 13.93 percent in 1998, equaling the all-time high reached in 1993. More than half (59.7 percent) of all commercial banks reported an ROA of one percent or higher in 1999, but fewer than half (44.9 percent) had a higher ROA than in 1998. The greatest improvement in profitability was experienced by the largest commercial banks. The key elements in the improved results were higher fee income and low growth in noninterest expenses.
- **FOURTH-QUARTER EARNINGS ARE THIRD-HIGHEST EVER**  
Banks earned \$17.8 billion in the third quarter, an increase of \$3.0 billion (20.2 percent) over the fourth quarter of 1998, but \$1.7 billion (8.6 percent) less than the record \$19.4 billion they earned in the third quarter of 1999. Among the favorable factors helping industry profits were continued strength in noninterest income, and control of overhead expenses. Negative factors limiting fourth-quarter earnings included higher provision expenses for future credit losses, and a shift from net profits to net losses on sales of securities, as rising interest rates caused securities values to decline. The average ROA for the fourth quarter was 1.27 percent, up from 1.10 percent a year ago.
- **SIGNS OF INCREASED RISK IN BANKS' PORTFOLIOS**  
During 1999, changes in the composition of banks' assets and liabilities suggest that banks may be increasing their vulnerability to rising interest rates and credit-quality problems. Long-term assets, with remaining maturities of five years or longer, increased by 15.8 percent in 1999, rising from 18.7 percent of all bank assets to 20.6 percent. Volatile liabilities, which mature or reprice within one year, increased by 16.3 percent. These liabilities now fund 34.9 percent of commercial banks' assets, up from 31.7 percent at the end of 1998. With these shifts, banks' assets became less interest-sensitive, while their liabilities became more interest-sensitive. Also during the year, the industry's ratio of risk-weighted assets to total assets rose from 77.5 percent to 79.2 percent. The risk weights assigned to different asset categories in regulatory capital calculations primarily reflect credit risk. Therefore, the rise in this ratio implies heightened credit risk, or exposure to higher loan losses in the event of a weakening economy.
- **SAVINGS INSTITUTIONS REPORT RECORD FULL-YEAR EARNINGS**  
For the third consecutive year, the thrift industry reported record-high earnings. Insured savings institutions earned \$10.9 billion in 1999, a \$736-million (7.3-percent) improvement over their 1998 results. The average ROA for 1999 was 1.00 percent, slightly lower than the 1.01 percent registered in 1998. The gap in performance between the largest savings institutions and the rest of the industry widened in 1999. The average ROA at institutions with more than \$5 billion in assets improved from 1.04 percent in 1998 to 1.06 percent in 1999. At savings institutions with less than \$5 billion in assets, the average ROA declined from 0.96 percent in 1998 to 0.93 percent in 1999. Fourth-quarter earnings totaled \$2.7 billion, an increase of \$678 million (33.5 percent) over the fourth quarter of 1998, but \$132 million (4.7 percent) less than the industry earned in the third quarter of 1999.
- **EIGHT INSURED INSTITUTIONS FAILED DURING 1999**  
Two members of the Bank Insurance Fund (BIF) failed during the fourth quarter of 1999, making a total of seven for the year. There were no fourth-quarter failures for the Savings Association Insurance Fund (SAIF) and only one for the entire year. The balance of the BIF grew by \$101 million during the fourth quarter, but the fund declined for the full calendar year, the first annual decrease since 1991. The fund stood at \$29.6 billion at the end of 1999, which was 1.37 percent of estimated insured deposits, compared to 1.38 percent at the end of the third quarter. The SAIF totaled \$10.3 billion at year-end 1999, up from \$10.2 billion on September 30. During the three-month period, the reserve ratio of the SAIF rose to 1.45 percent from 1.44 percent.

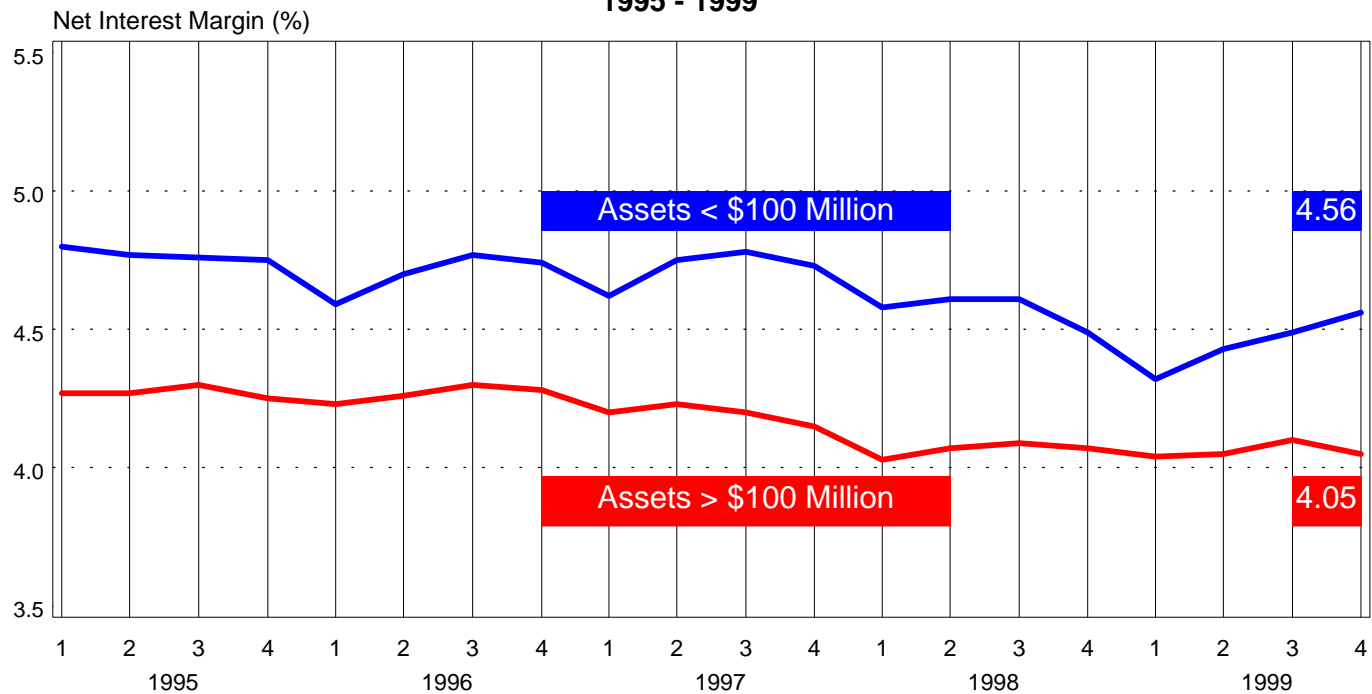
## Quarterly Net Income

1995 - 1999



## Quarterly Net Interest Margins, Annualized

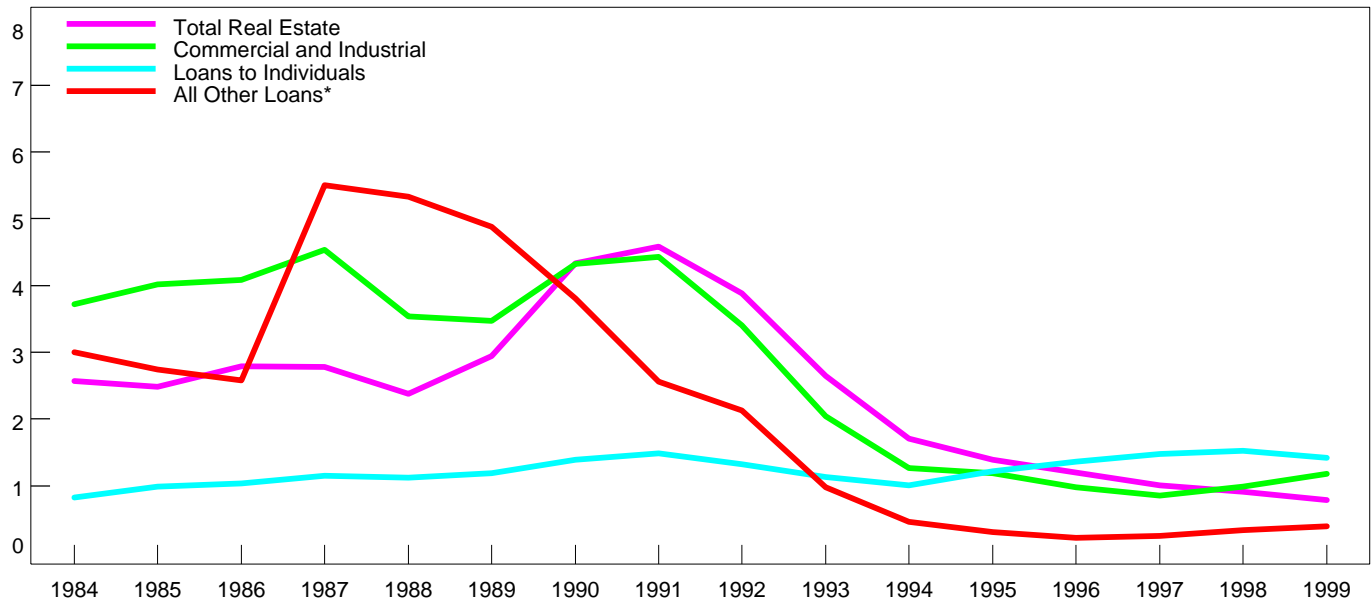
1995 - 1999



## Noncurrent Loan Rates at Year-end

1984 - 1999

Percent of Loans

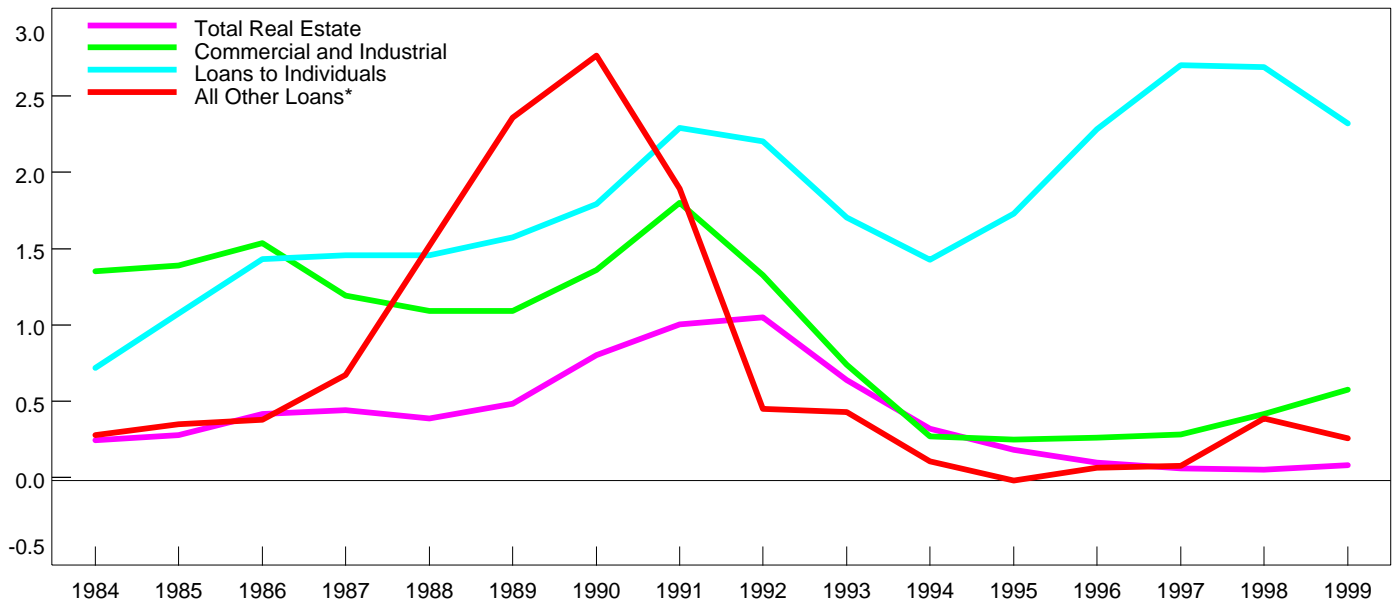


Note: Noncurrent loan rates represent the percentage of loans that are past due 90 days or more or in nonaccrual status.

## Annual Net Charge-off Rates on Loans

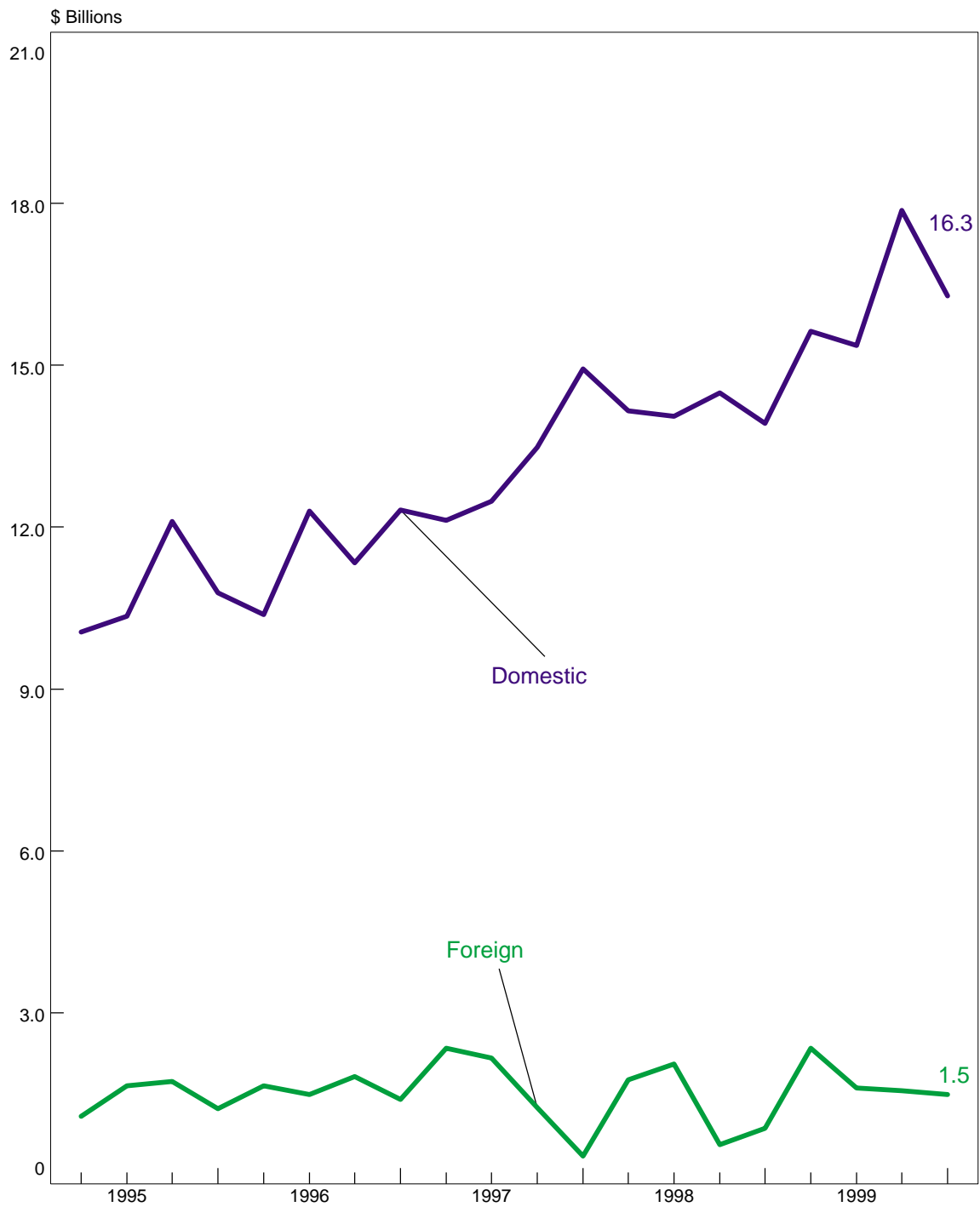
1984 - 1999

Percent of Loans



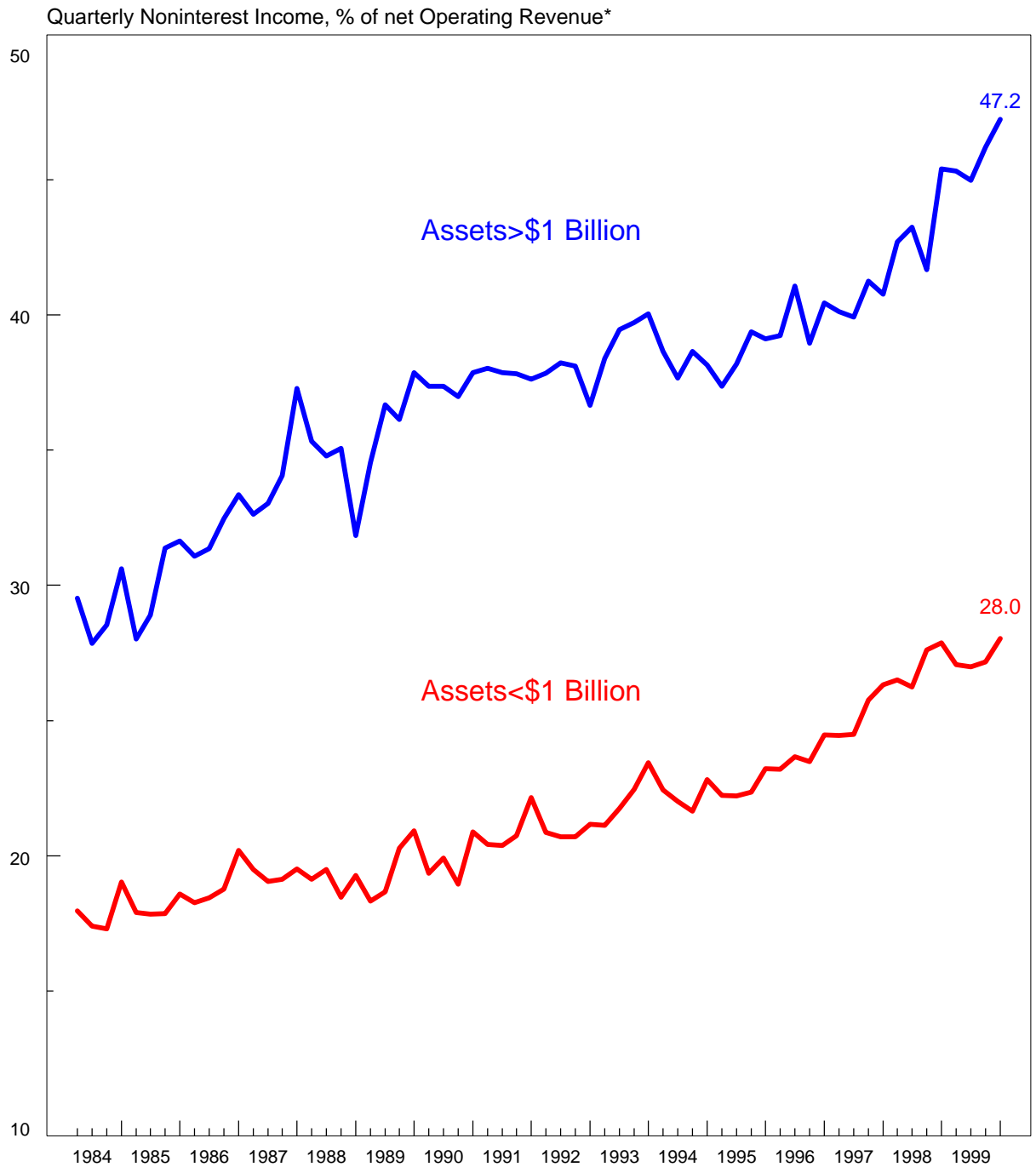
\*Includes loans to foreign governments, depository institutions and lease receivables.

## Net Income from Domestic and Foreign Operations 1995 - 1999



# Noninterest Income as a Percentage of Net Operating Revenue\*

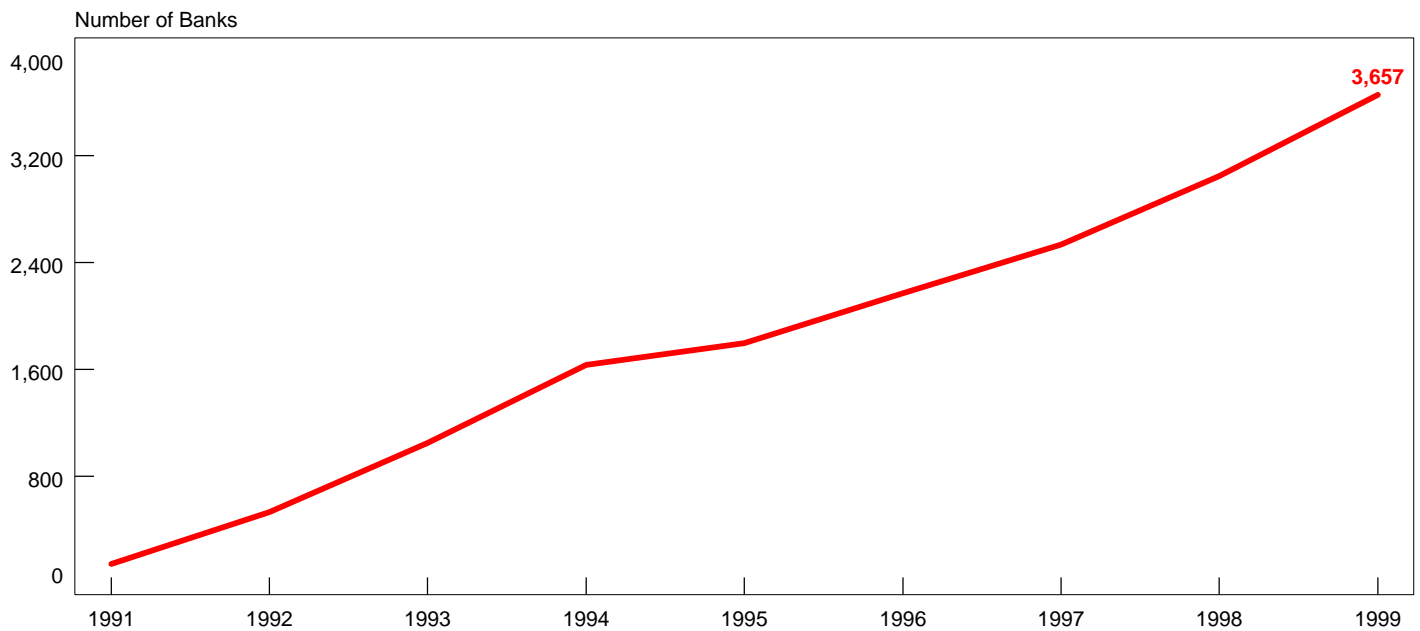
1984 - 1999



\*Net operating revenue equals net interest income plus noninterest income.

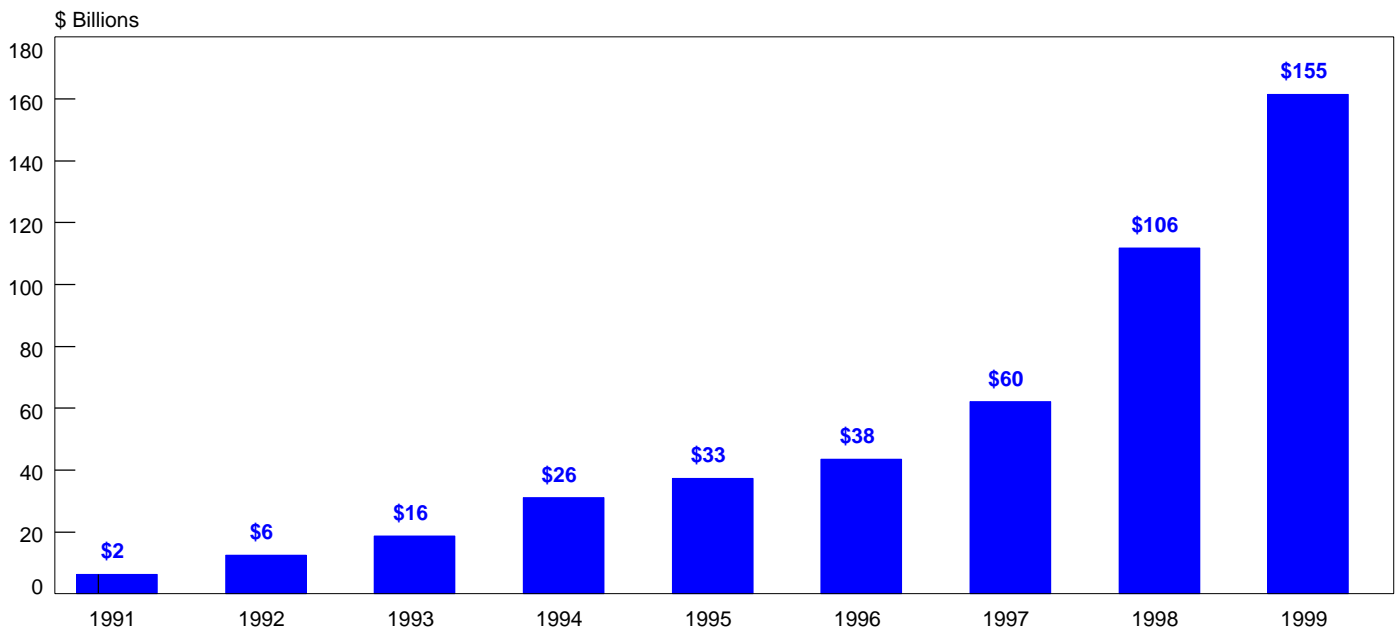
## Number of Commercial Banks with FHLB Advances\*

1991 - 1999



## Amount of FHLB Advances Outstanding\*

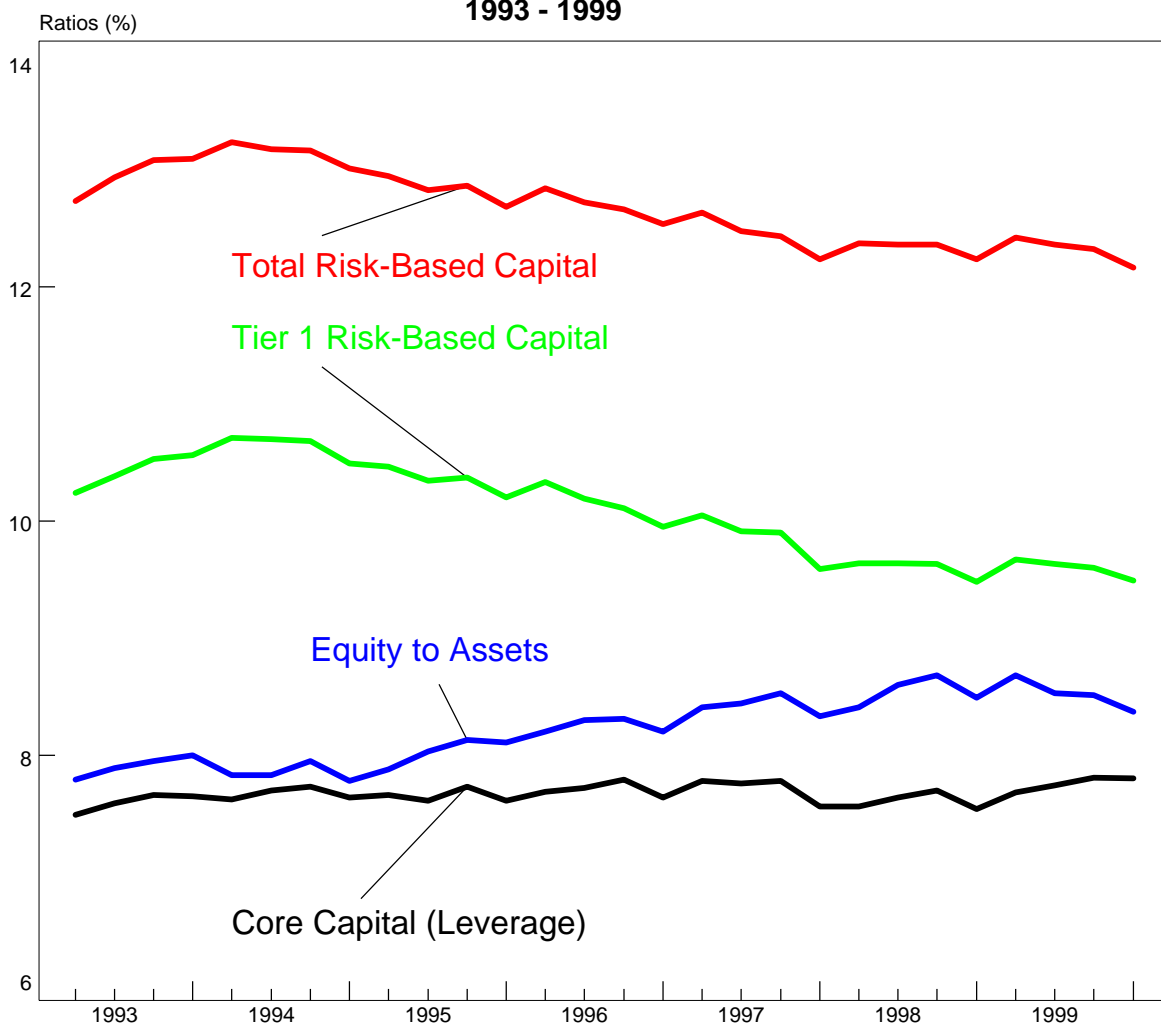
1991 - 1999



\* Source: FHFB

## Capital Ratios

1993 - 1999

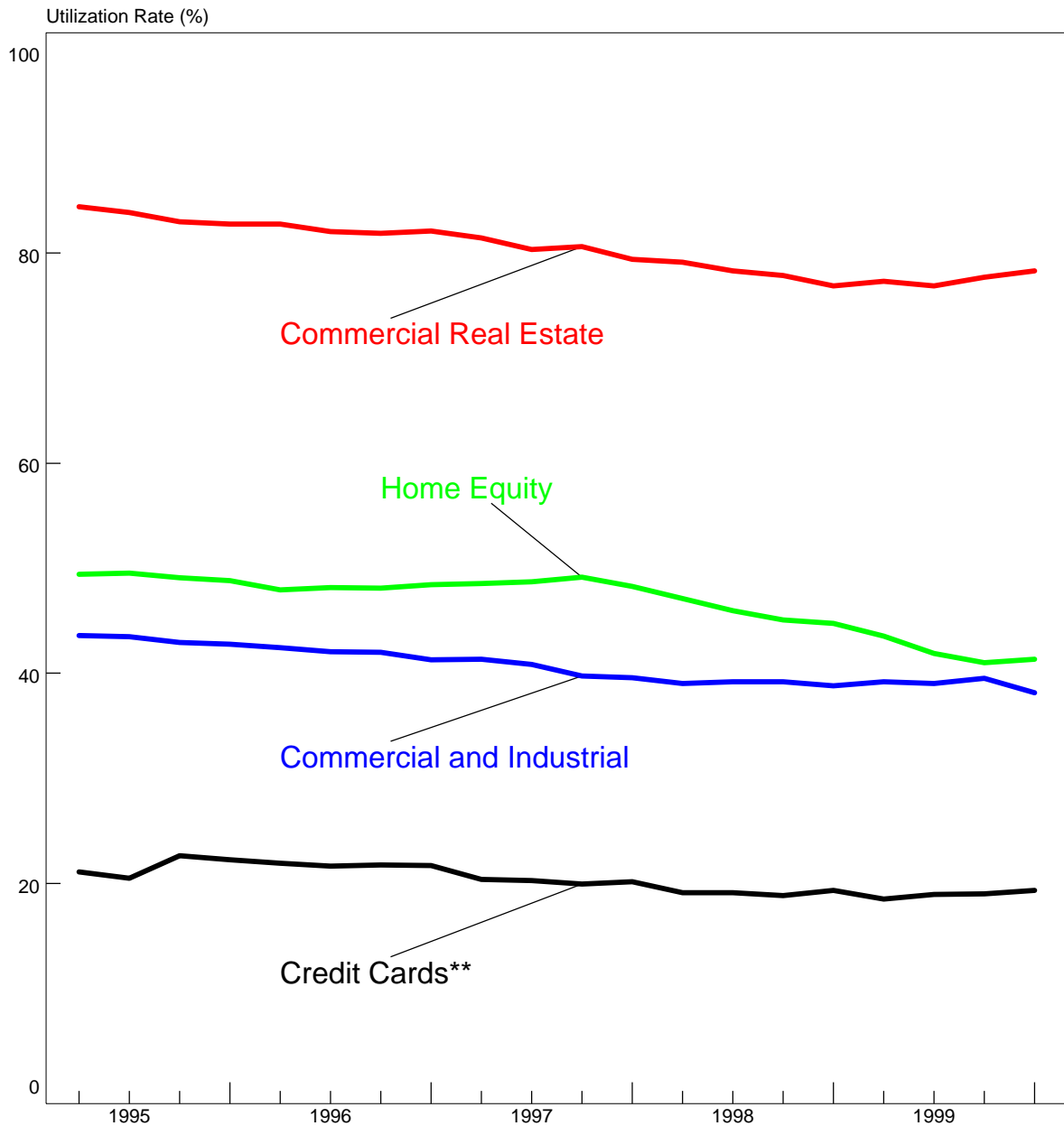


	12/93	12/94	12/95	12/96	12/97	12/98	12/99
Total Risk-Based Capital	13.09	13.01	12.68	12.53	12.23	12.23	12.16
Tier 1 Risk-Based Capital	10.56	10.49	10.20	9.95	9.59	9.48	9.49
Equity to Assets	8.00	7.78	8.11	8.20	8.33	8.49	8.37
Core Capital (Leverage)	7.65	7.64	7.61	7.64	7.56	7.54	7.80



## Utilization Rates on Loan Commitments\*

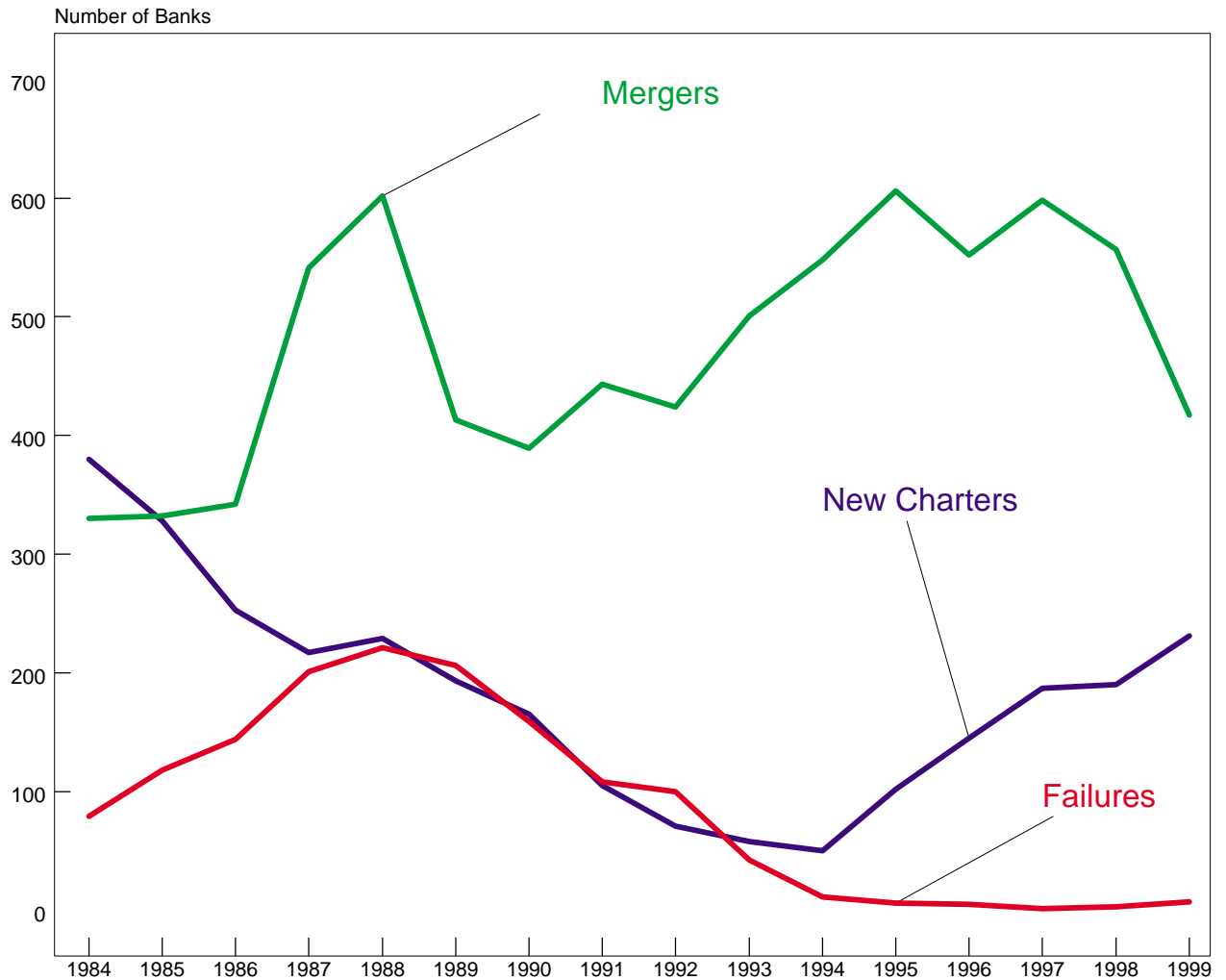
1995 - 1999



\* Utilization rates represent outstanding loan amounts as a percentage of unused loan commitments plus outstanding loan amounts.

\*\* Includes on-balance-sheet loans and off-balance-sheet securitized receivables. For 1st, 2nd, and 4th quarter Call data before 1996, loans securitized and sold are estimated using amounts reported as of 9/30.

# Changes in the Number of FDIC-Insured Commercial Banks 1984 - 1999

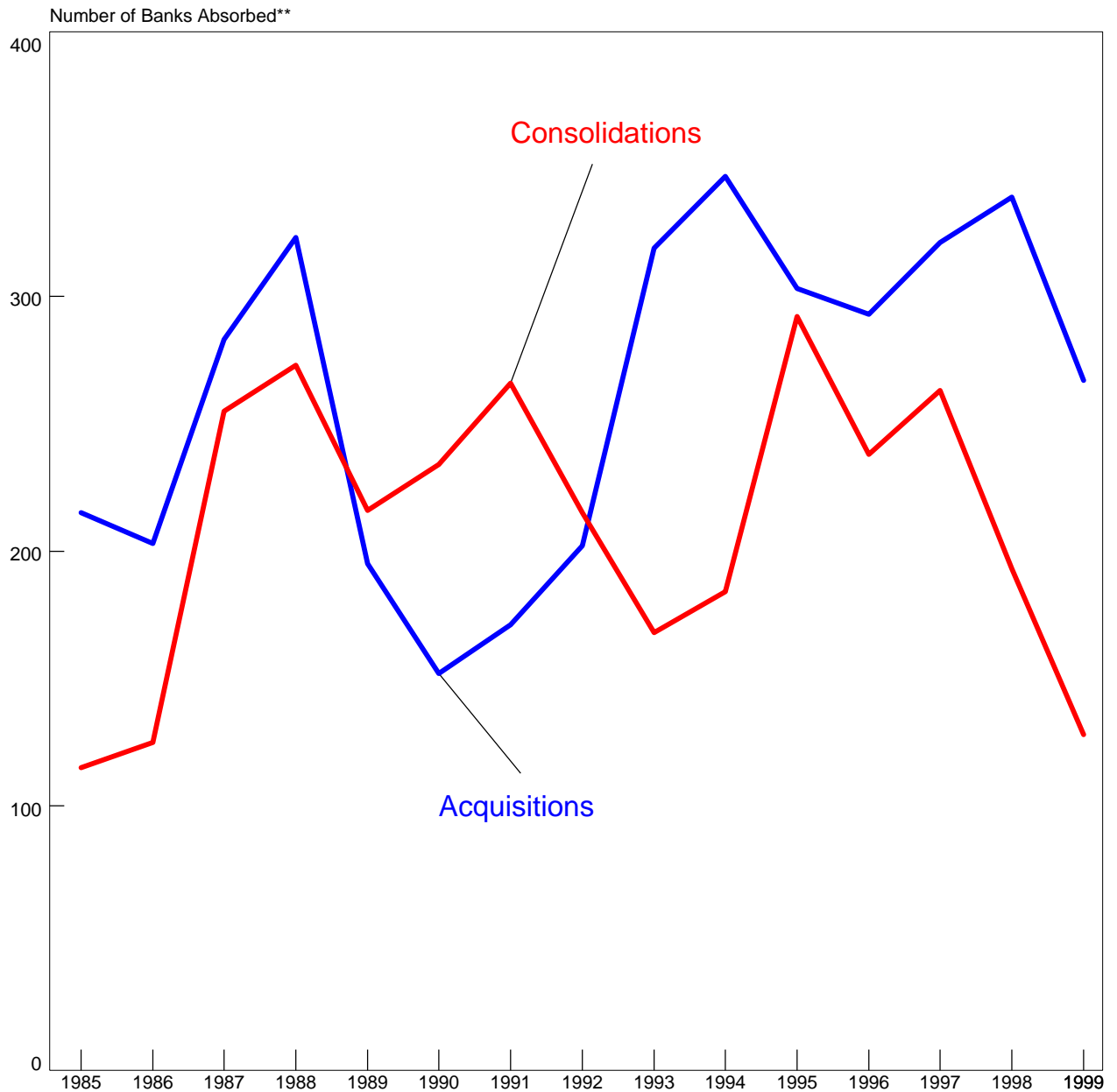


<b>New Charters</b>	380	328	253	217	229	193	165	105	71	58	50	102	145	187	190	231
<b>Mergers</b>	330	332	342	541	602	413	389	443	424	501	548	606	552	598	557	417
<b>Failures</b>	79	118	144	201	221	206	159	108	100	42	11	6	5	1	3	7
Other Changes, Net*	43	47	25	29	14	12	17	24	-6	-19	2	-1	-1	27	2	-1
No. of Banks at end of year	14,482	14,407	14,199	13,703	13,123	12,709	12,343	11,921	11,462	10,958	10,451	9,940	9,527	9,142	8,774	8,580
Net Change during year	14	-75	-208	-496	-580	-414	-366	-422	-459	-504	-507	-511	-413	-385	-368	-194

\* Includes charter conversions, voluntary liquidations, adjustments for open-bank assistance transactions and other changes.

## Bank Mergers: Acquisitions vs. Consolidations\*

1985 - 1999



<b>Acquisitions</b>	<b>215</b>	<b>203</b>	<b>283</b>	<b>323</b>	<b>195</b>	<b>152</b>	<b>171</b>	<b>202</b>	<b>319</b>	<b>347</b>	<b>303</b>	<b>293</b>	<b>321</b>	<b>339</b>	<b>267</b>
<b>Consolidations</b>	<b>115</b>	<b>125</b>	<b>255</b>	<b>273</b>	<b>216</b>	<b>234</b>	<b>266</b>	<b>215</b>	<b>168</b>	<b>184</b>	<b>292</b>	<b>238</b>	<b>263</b>	<b>193</b>	<b>128</b>

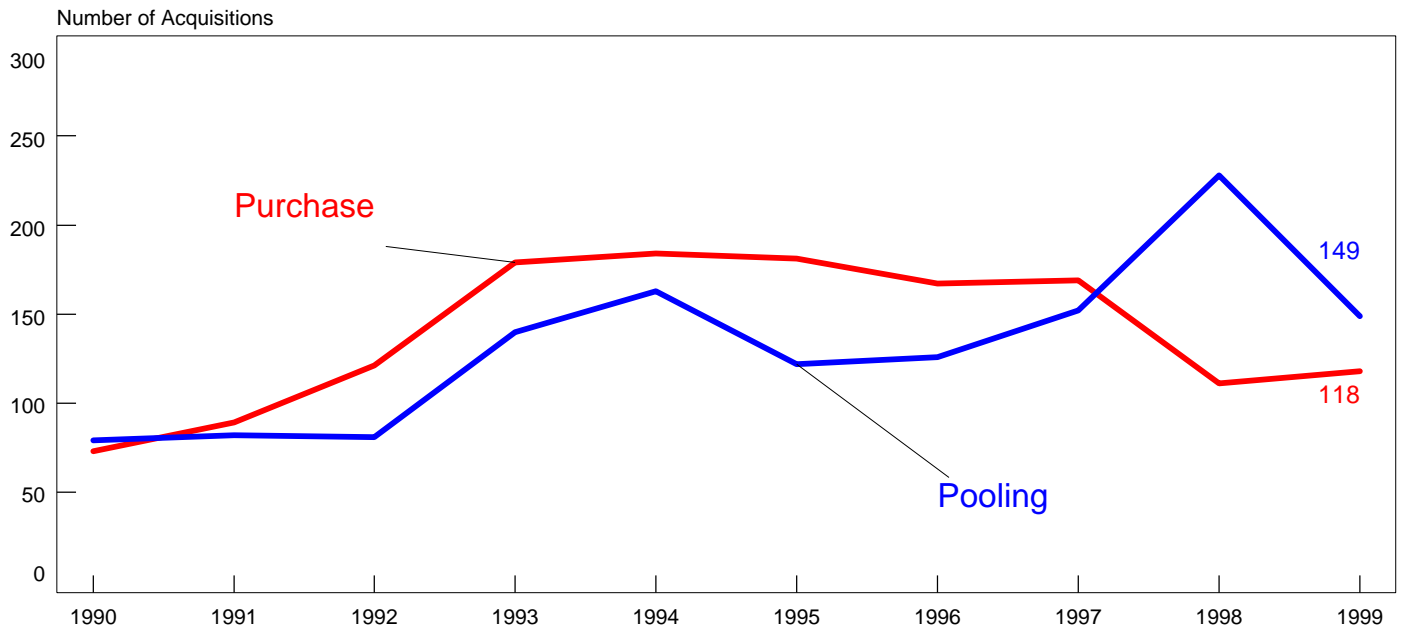
\* Acquisitions = change in holding company ownership within 12 months of merger.  
 Consolidations = no change in ownership within 12 months of merger.

\*\* Does not include commercial banks merged into savings institutions.

## Acquisitions: Pooling vs Purchase Accounting\*

### Number of Acquisitions

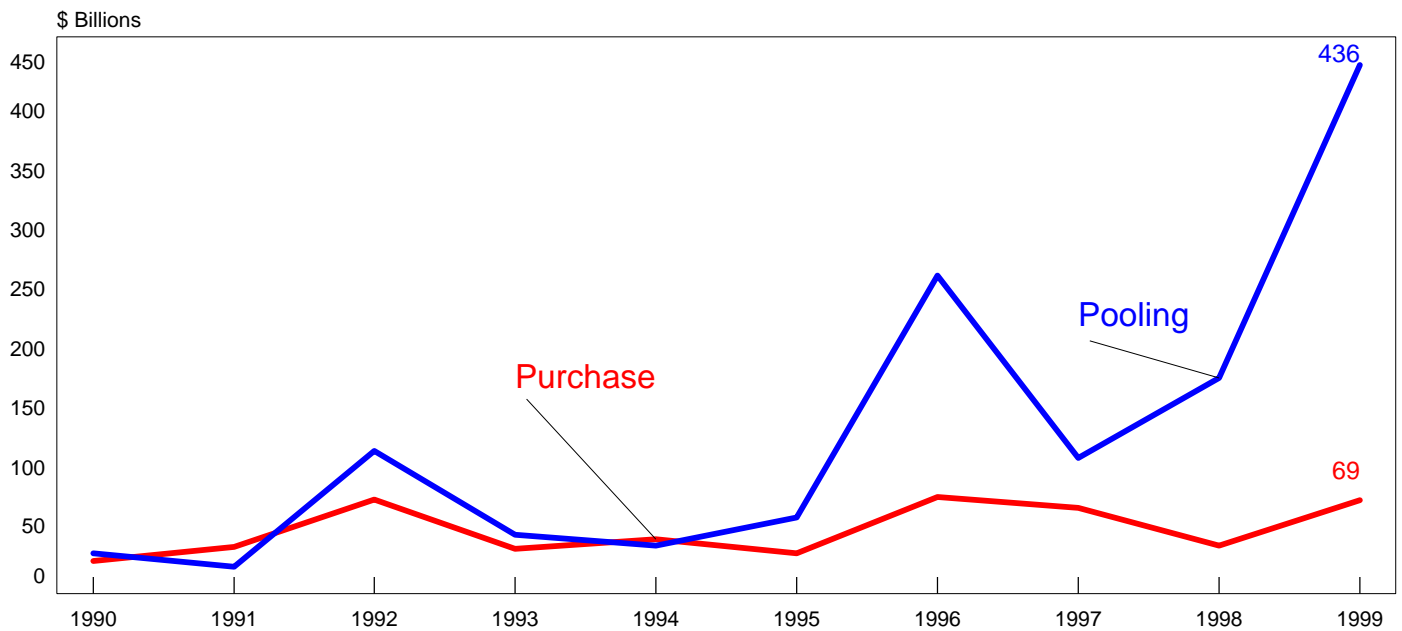
1990 - 1999



## Acquisitions: Pooling vs Purchase Accounting\*

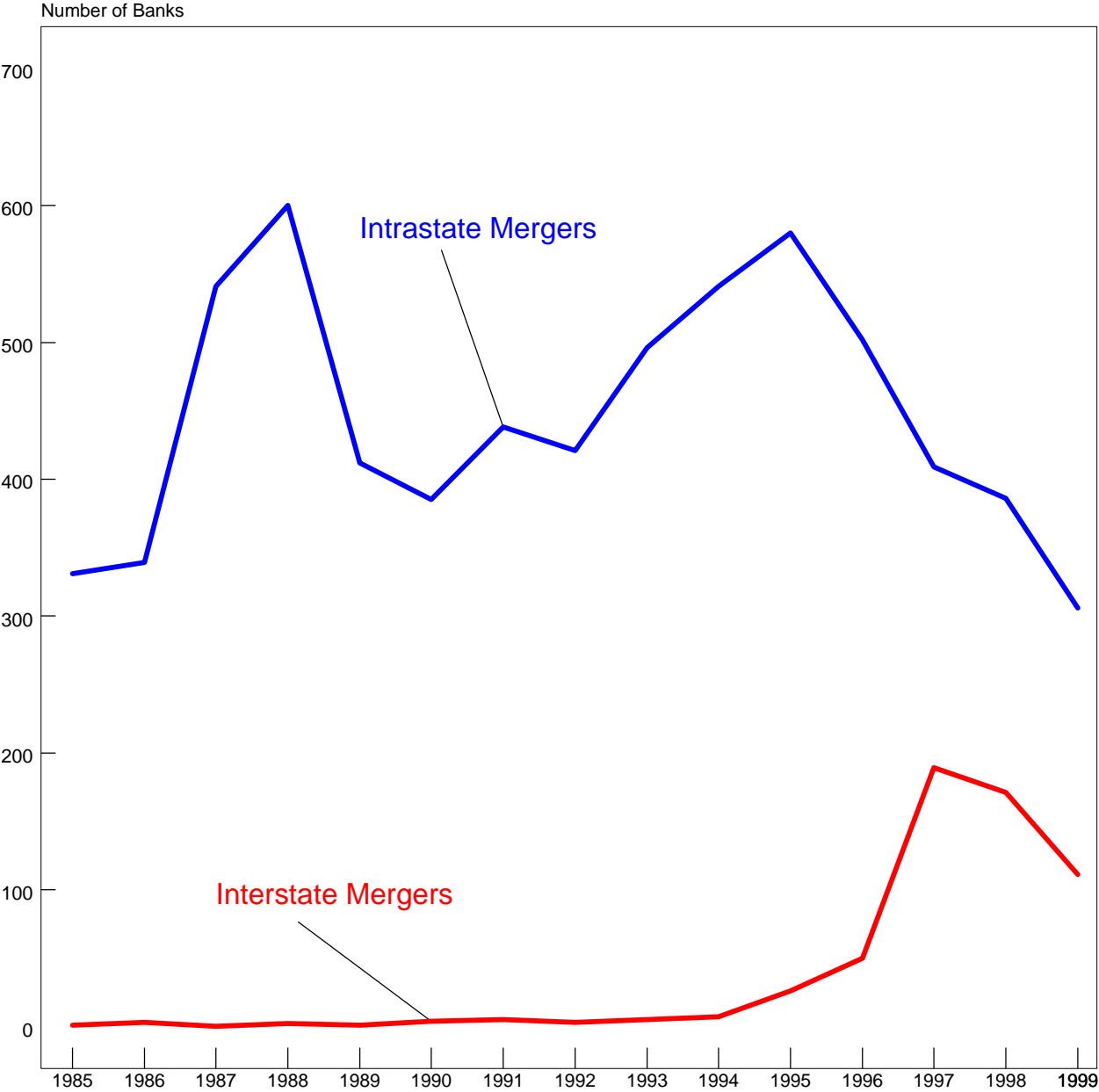
### Assets of Acquired Institutions

1990 - 1999



\*Purchase accounting mergers include pooling-of-interest mergers where 'push down accounting' was used within twelve months of the merger.

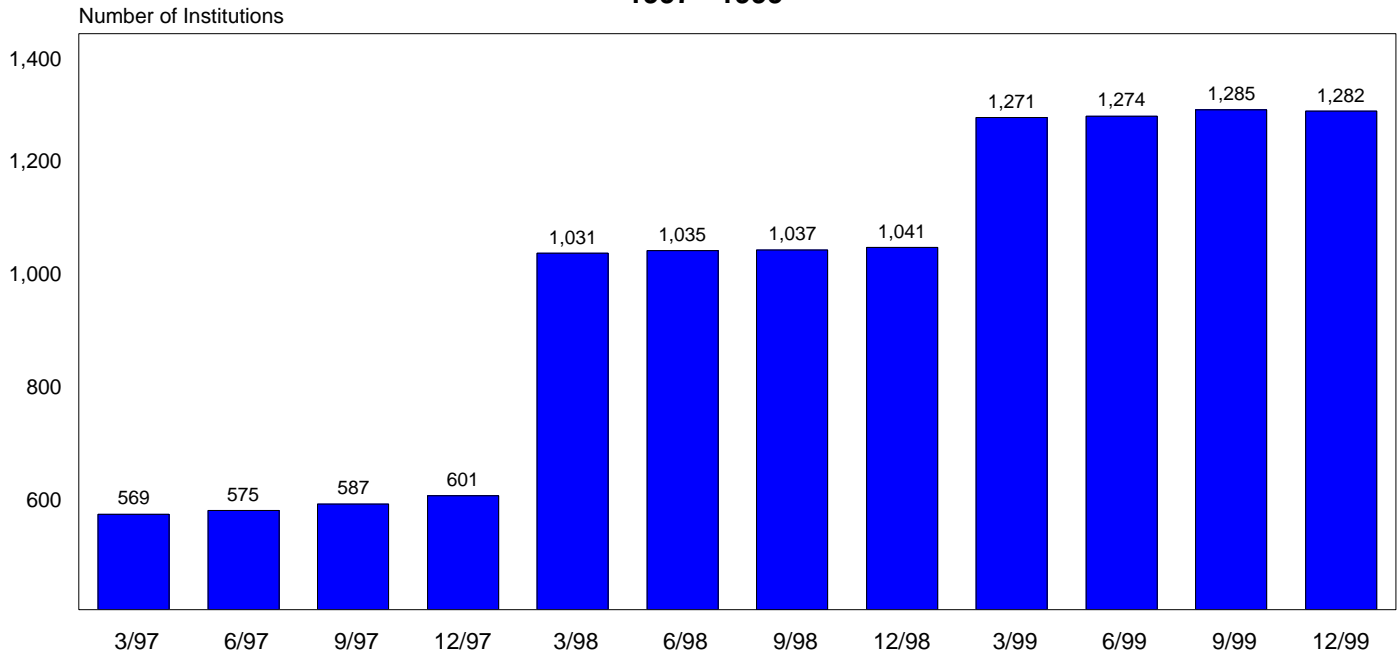
# **Bank Mergers: Interstate vs. Intrastate** **1985 - 1999**



Intrastate Mergers	331	339	541	600	412	385	438	421	496	541	580	502	409	386	306
Interstate Mergers	1	3	0	2	1	4	5	3	5	7	26	50	189	171	111

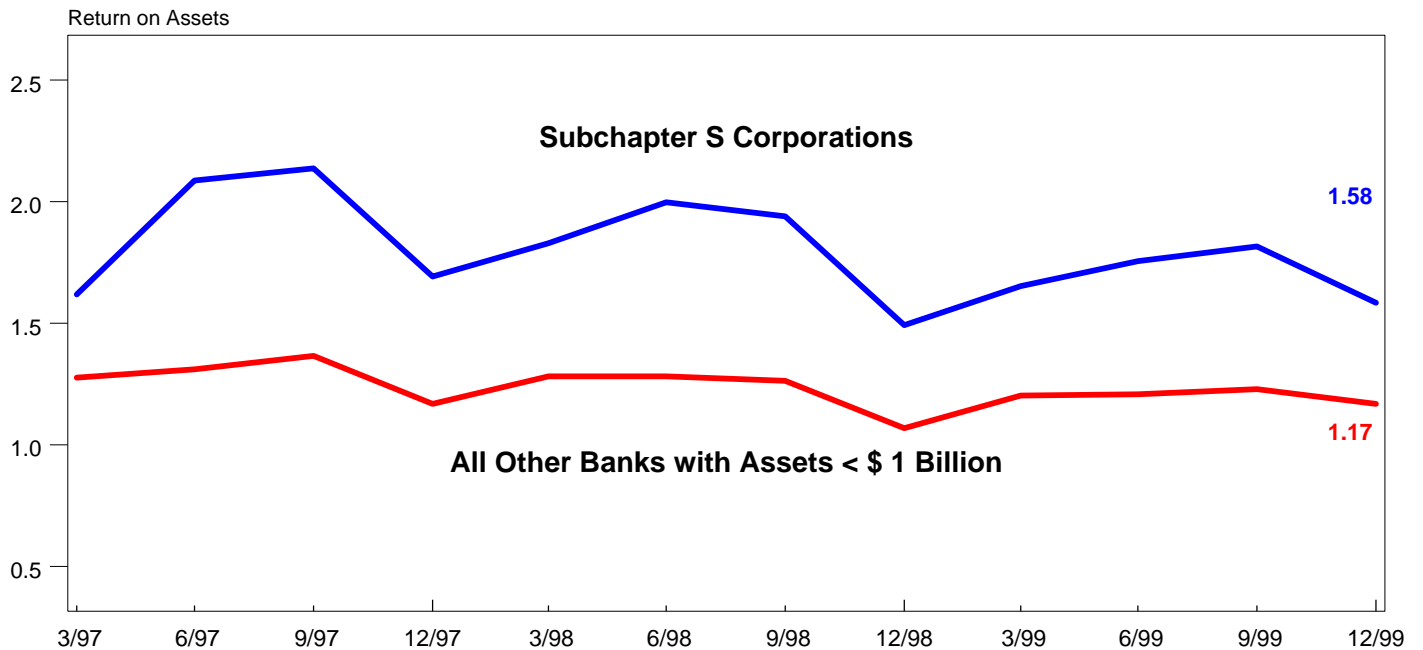
## Number of Subchapter S Corporations

1997 - 1999



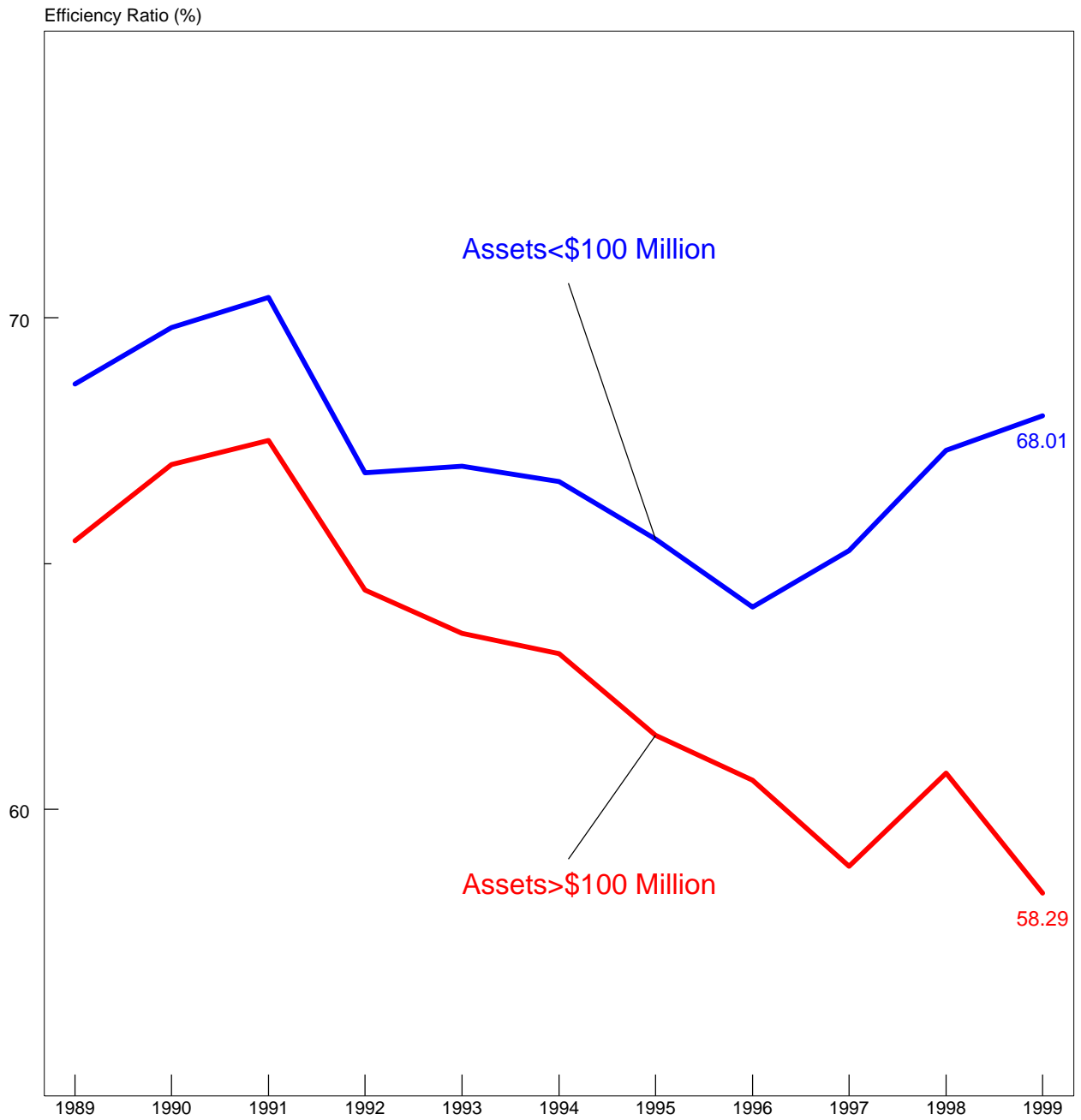
## Return on Assets of Subchapter S Corporations vs. Other Banks

1997 - 1999



## Annual Efficiency Ratios\*

1989 - 1999



### Assets < \$100 Million

68.65 69.80 70.41 66.85 66.98 66.67 65.50 64.11 65.26 67.30 68.01

### Assets > \$100 Million

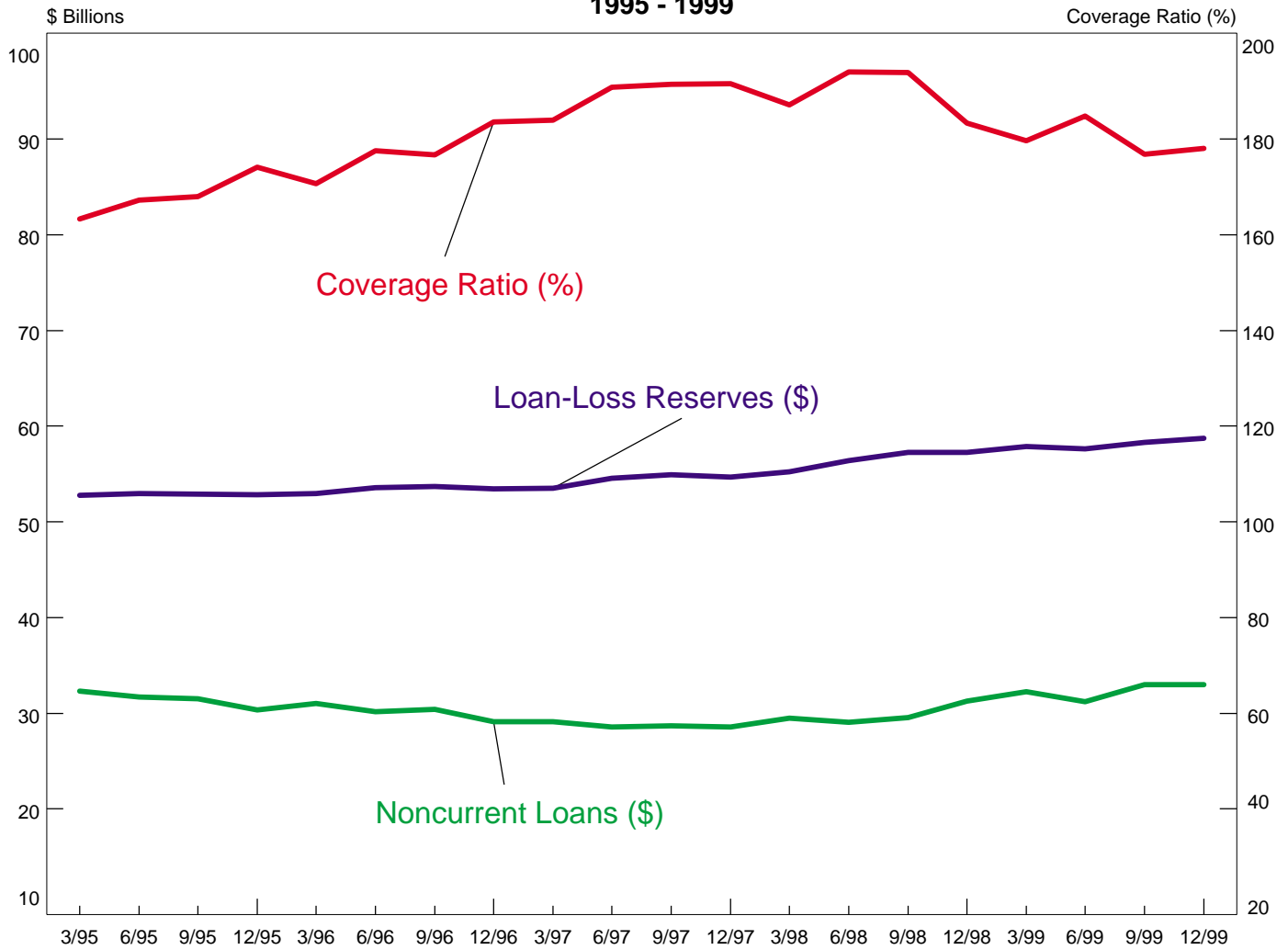
65.46 67.01 67.50 64.46 63.58 63.17 61.50 60.59 58.84 60.73 58.29

Total 65.80 67.29 67.78 64.68 63.85 63.44 61.76 60.79 59.16 61.02 58.66

\*Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income.

## Reserve Coverage Ratio\*

1995 - 1999



### Noncurrent Loans (\$ Billions)

32.3 31.7 31.5 30.4 31.0 30.2 30.4 29.1 29.1 28.6 28.7 28.5 29.5 29.1 29.5 31.3 32.2 31.2 33.0 33.0

### Loan-Loss Reserves (\$ Billions)

52.8 52.9 52.9 52.8 53.0 53.6 53.7 53.5 53.5 54.5 54.9 54.7 55.2 56.4 57.3 57.3 57.9 57.6 58.3 58.8

### Coverage Ratio (%)

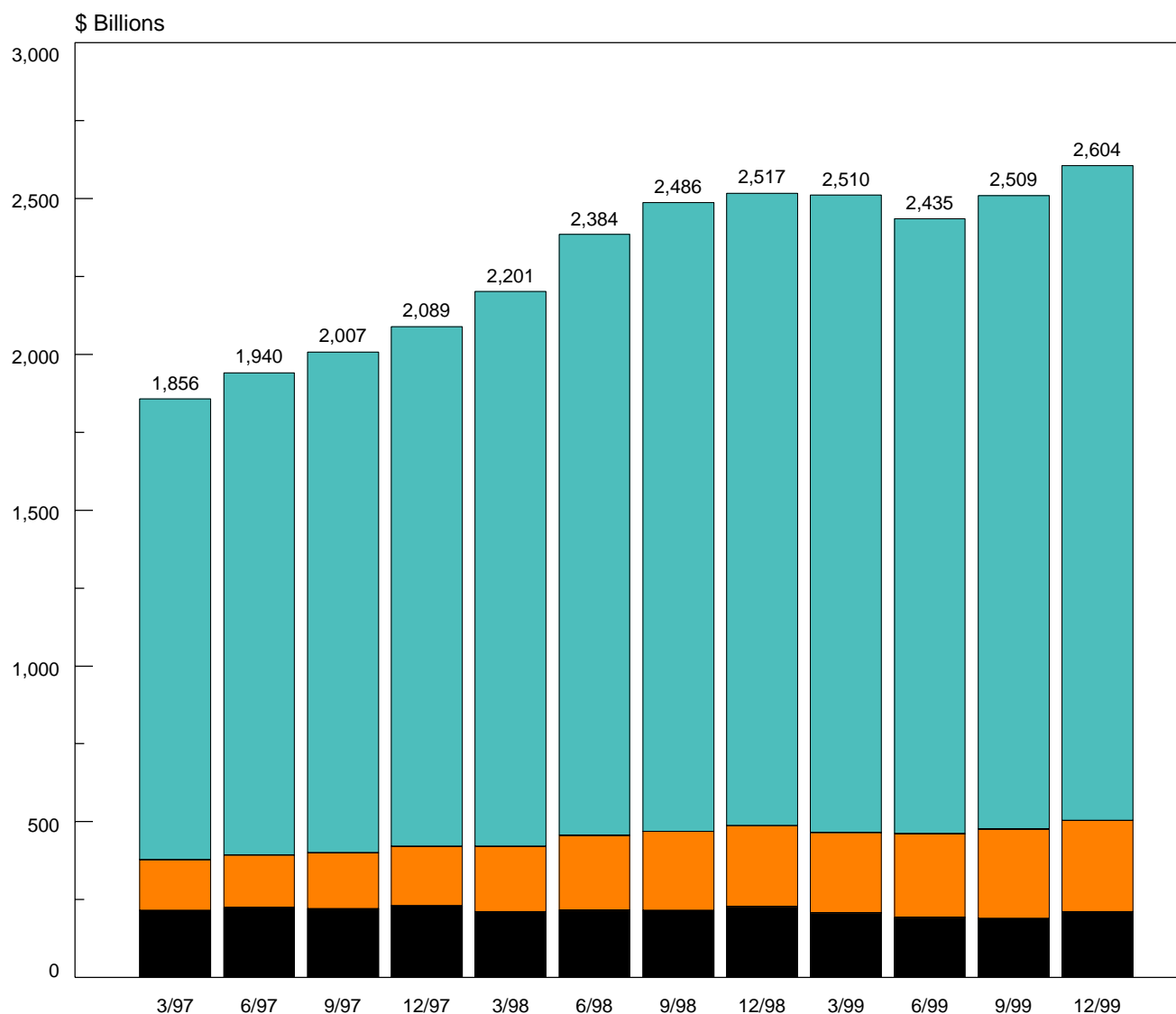
163 167 168 174 171 178 177 184 184 191 191 192 187 194 194 183 180 185 177 178

\*Loan-loss reserves to noncurrent loans.



## Expansion of Credit Card Lines

1997 - 1999

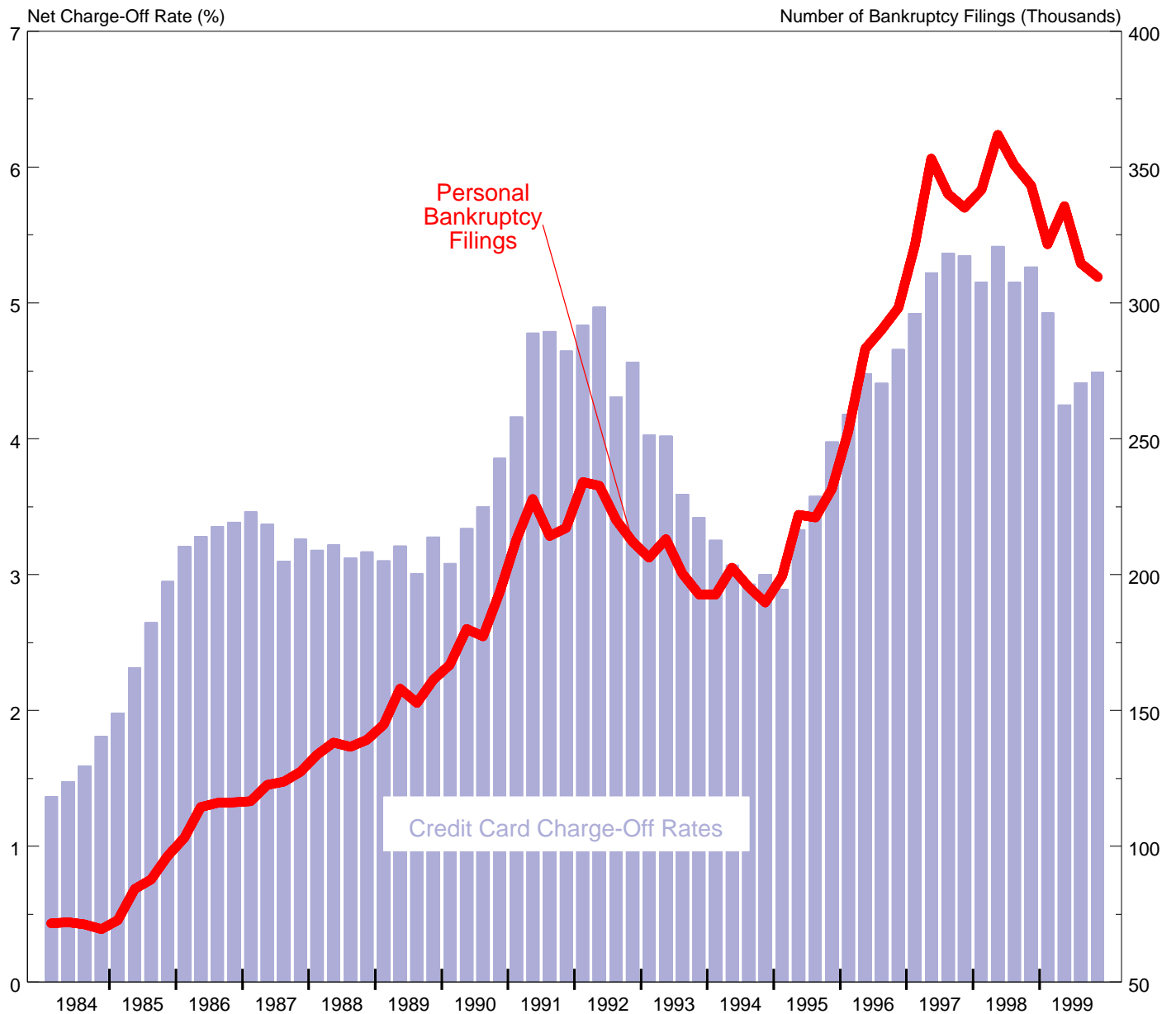


### Loans outstanding (\$ Billions)

■ Held on-balance-sheet	215.8	225.2	220.4	231.1	211.7	216.8	216.0	228.8	208.0	193.0	189.3	212.0
■ Securitized & sold *	163.1	168.4	180.4	190.8	209.2	238.6	252.5	258.7	257.5	269.2	287.2	292.5
■ Unused commitments *	1,477.3	1,546.7	1,606.4	1,666.9	1,780.2	1,928.6	2,017.7	2,029.4	2,044.4	1,973.0	2,032.7	2,099.9
Total	1,856.1	1,940.3	2,007.2	2,088.8	2,201.2	2,384.0	2,486.2	2,516.9	2,509.9	2,435.2	2,509.2	2,604.4

\* Off-balance-sheet

## Credit Card Loss Rates and Personal Bankruptcy Filings 1984 - 1999



Sources: Bankruptcies - Administrative Office of the United States Courts  
 Charge-Off Rates - Commercial Bank Call Reports

## Credit Card Loss Rates and Personal Bankruptcy Filings

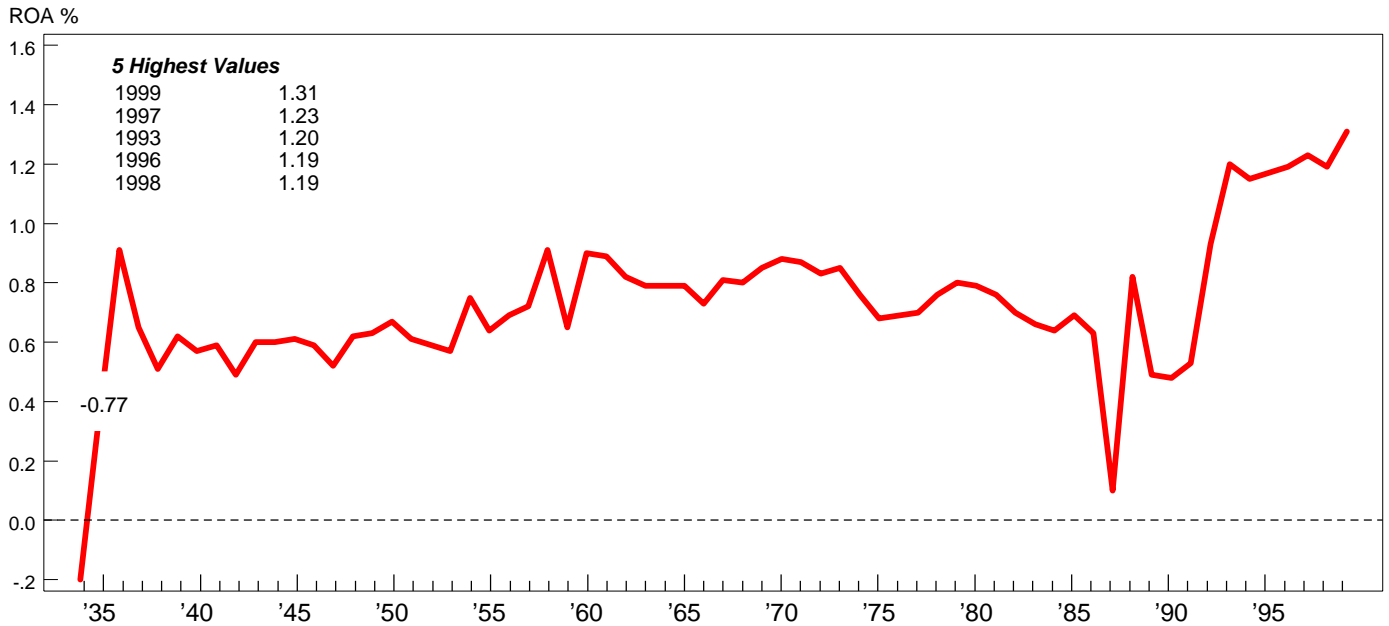
1984 - 1999

Date	Net Charge-Off Rate	Number of Bankruptcy Filings
3/31/84	1.37	71,697
6/30/84	1.48	71,955
9/30/84	1.59	71,201
12/31/84	1.81	69,554
3/31/85	1.98	72,887
6/30/85	2.31	84,243
9/30/85	2.65	87,727
12/31/85	2.95	96,376
3/31/86	3.21	103,088
6/30/86	3.28	114,384
9/30/86	3.35	116,037
12/31/86	3.38	116,204
3/31/87	3.46	116,578
6/30/87	3.37	122,689
9/30/87	3.10	123,868
12/31/87	3.26	127,409
3/31/88	3.18	133,712
6/30/88	3.22	138,245
9/30/88	3.12	136,561
12/31/88	3.17	139,215
3/31/89	3.10	144,711
6/30/89	3.21	157,955
9/30/89	3.01	152,696
12/31/89	3.28	161,404
3/31/90	3.08	166,694
6/30/90	3.34	179,943
9/30/90	3.50	177,351
12/31/90	3.86	193,872
3/31/91	4.16	212,913
6/30/91	4.78	227,853
9/30/91	4.79	214,174
12/31/91	4.64	217,160

Date	Net Charge-Off Rate	Number of Bankruptcy Filings
3/31/92	4.84	233,973
6/30/92	4.97	232,657
9/30/92	4.31	220,021
12/31/92	4.57	212,112
3/31/93	4.03	206,271
6/30/93	4.02	212,982
9/30/93	3.59	200,329
12/31/93	3.42	192,617
3/31/94	3.25	192,707
6/30/94	3.07	202,596
9/30/94	2.93	195,308
12/31/94	3.00	189,695
3/31/95	2.89	199,503
6/30/95	3.33	222,086
9/30/95	3.58	220,945
12/31/95	3.98	231,603
3/31/96	4.18	252,761
6/30/96	4.48	283,170
9/30/96	4.41	290,111
12/31/96	4.66	298,244
3/31/97	4.92	321,242
6/30/97	5.22	353,177
9/30/97	5.37	340,059
12/31/97	5.34	335,032
3/31/98	5.15	341,708
6/30/98	5.42	361,908
9/30/98	5.15	350,859
12/31/98	5.26	343,220
3/31/99	4.93	321,604
6/30/99	4.25	335,578
9/30/99	4.41	314,564
12/31/99	4.49	309,614

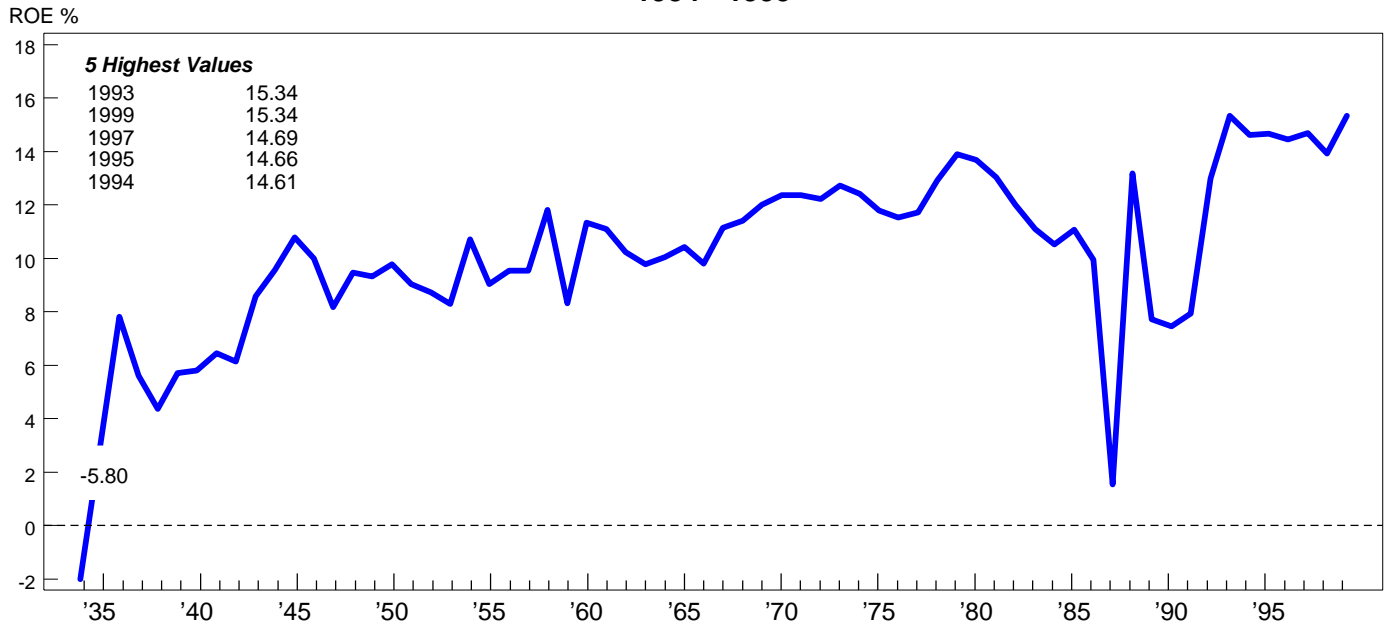
## Annual Return on Assets (ROA)

1934 - 1999



## Annual Return on Equity (ROE)

1934 - 1999

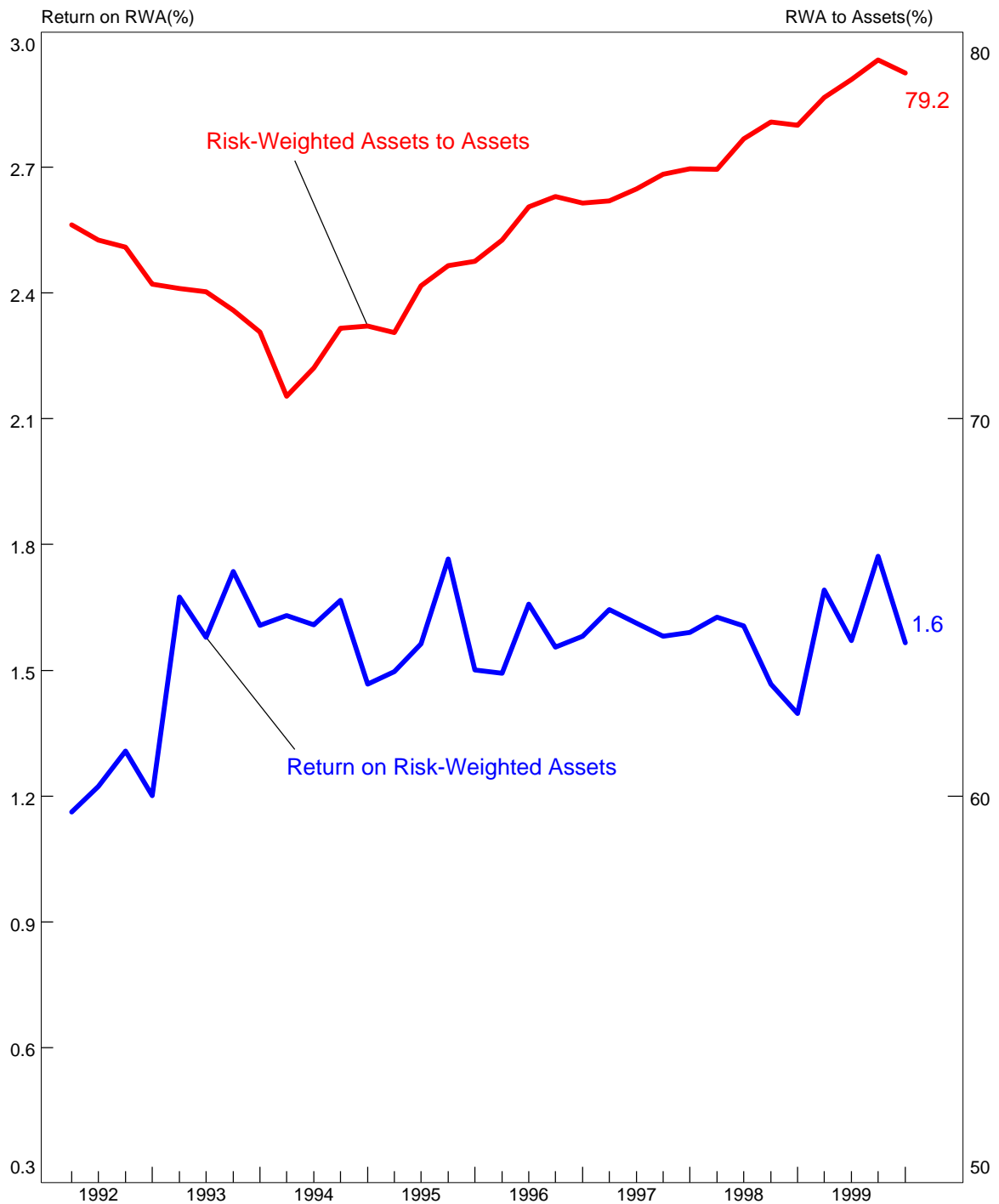


# Annual Return on Assets (ROA) and Equity (ROE), and Net Income 1934 - 1999

Year	ROA (Percent)	ROE (Percent)	Net Income (\$ Millions)
1999	1.31	15.34	71,703
1998	1.19	13.93	61,800
1997	1.23	14.69	59,159
1996	1.19	14.45	52,350
1995	1.17	14.66	48,745
1994	1.15	14.61	44,622
1993	1.20	15.34	43,035
1992	0.93	12.98	31,987
1991	0.53	7.94	17,935
1990	0.48	7.46	15,991
1989	0.49	7.71	15,575
1988	0.82	13.19	24,812
1987	0.10	1.55	2,803
1986	0.63	9.94	17,418
1985	0.69	11.07	17,977
1984	0.64	10.52	15,500
1983	0.66	11.09	14,931
1982	0.70	12.02	14,844
1981	0.76	13.04	14,722
1980	0.79	13.68	14,010
1979	0.80	13.91	12,839
1978	0.76	12.91	10,758
1977	0.70	11.72	8,881
1976	0.69	11.53	7,844
1975	0.68	11.79	7,257
1974	0.76	12.42	7,092
1973	0.85	12.73	6,580
1972	0.83	12.23	5,654
1971	0.87	12.37	5,236
1970	0.88	12.36	4,837
1969	0.85	12.01	4,335
1968	0.80	11.40	3,792
1967	0.81	11.15	3,456

Year	ROA (Percent)	ROE (Percent)	Net Income (\$ Millions)
1966	0.73	9.81	2,857
1965	0.79	10.43	2,861
1964	0.79	10.04	2,602
1963	0.79	9.78	2,393
1962	0.82	10.24	2,348
1961	0.89	11.11	2,374
1960	0.90	11.33	2,257
1959	0.65	8.31	1,553
1958	0.91	11.82	2,082
1957	0.72	9.55	1,578
1956	0.69	9.53	1,476
1955	0.64	9.03	1,320
1954	0.75	10.72	1,473
1953	0.57	8.30	1,070
1952	0.59	8.73	1,067
1951	0.61	9.04	1,047
1950	0.67	9.79	1,072
1949	0.63	9.33	968
1948	0.62	9.48	941
1947	0.52	8.18	775
1946	0.59	10.00	894
1945	0.61	10.79	894
1944	0.60	9.56	736
1943	0.60	8.59	623
1942	0.49	6.13	426
1941	0.59	6.46	436
1940	0.57	5.80	383
1939	0.62	5.71	370
1938	0.51	4.37	281
1937	0.65	5.61	357
1936	0.91	7.81	490
1935	0.36	2.82	174
1934	(0.77)	(5.80)	(357)

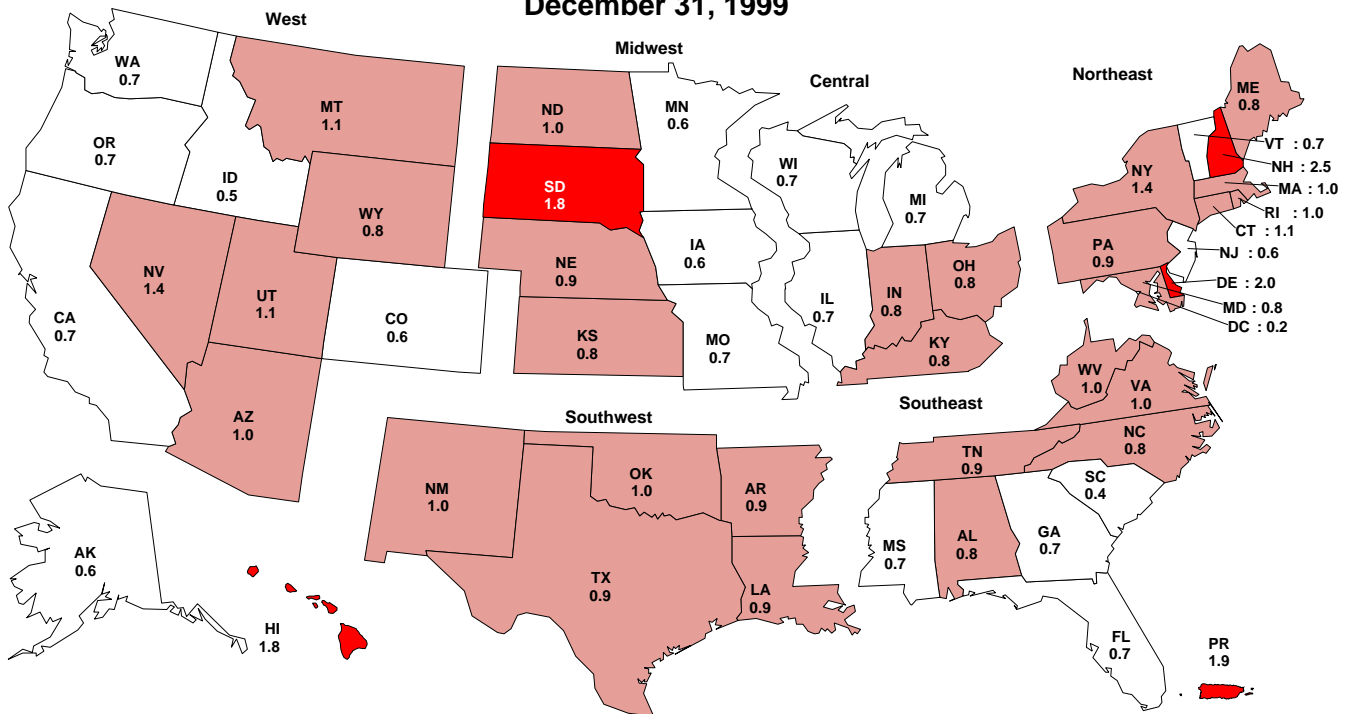
# Quarterly Return on Risk-Weighted Assets (RWA),\* and RWA to Total Assets 1992 - 1999



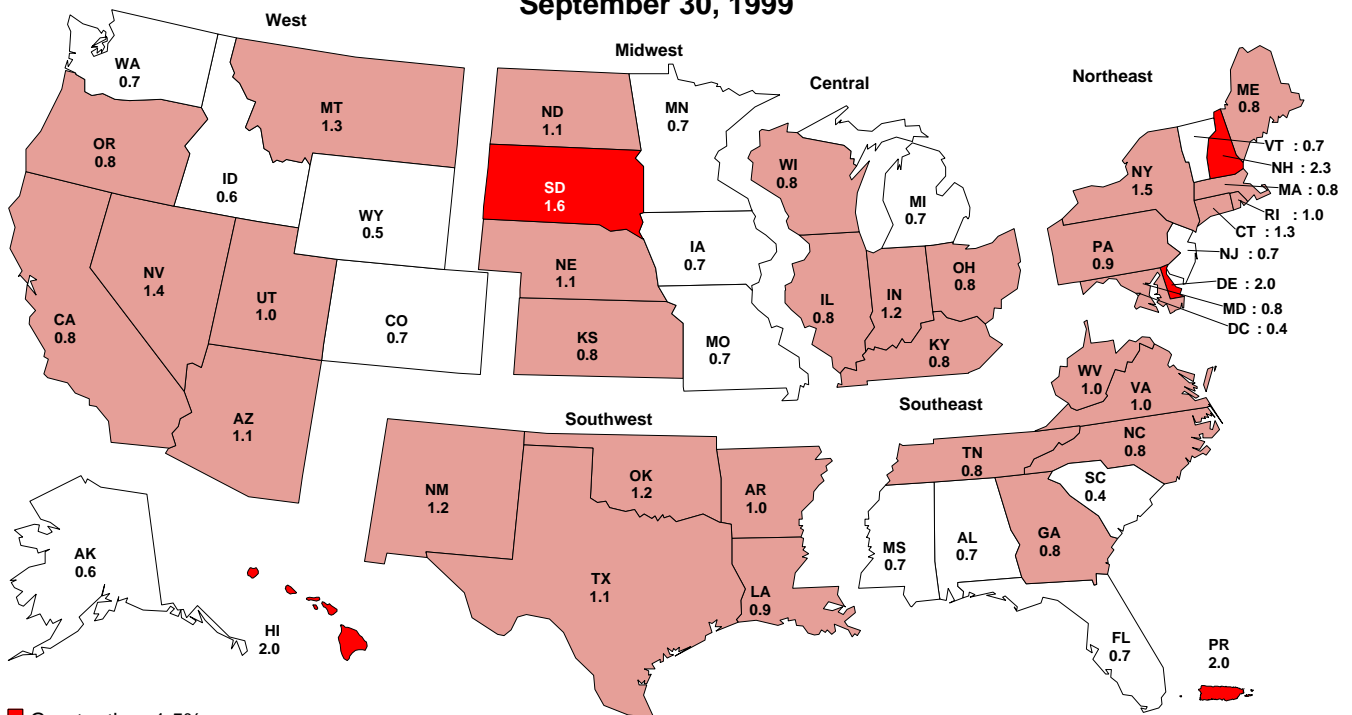
\* Assets weighted according to risk categories used in regulatory capital computations.

# Noncurrent Loan Rates\*

December 31, 1999



September 30, 1999



- Greater than 1.5%
- Between .75% and 1.5%
- Less than .75%

\* Noncurrent loan rates represent the percentage of loans that are past due 90 days or more or in nonaccrual status.

## Noncurrent Loan Rates\*

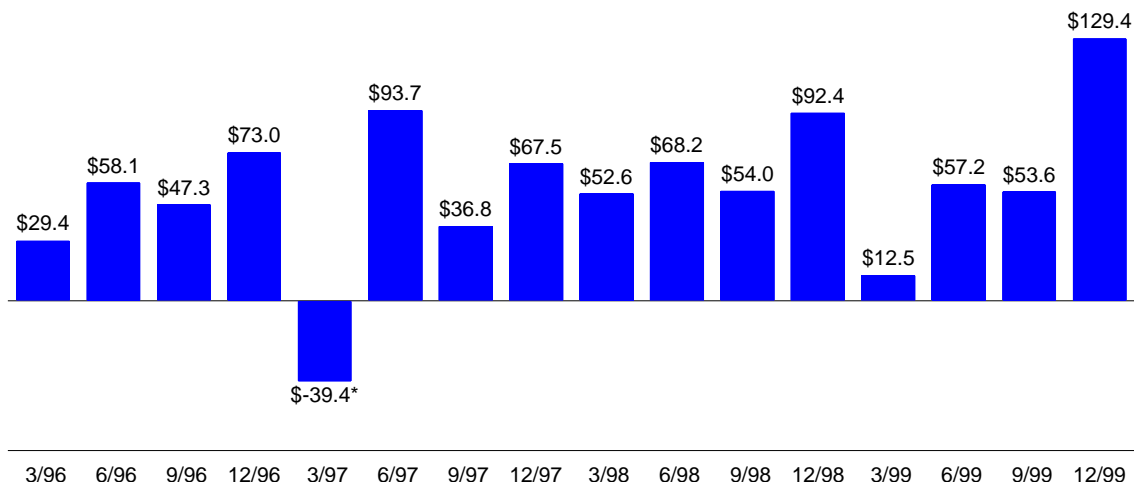
### September 30, 1999 - December 31, 1999

	Total Loans		Commercial & Industrial		Real Estate		Loans to Individuals		All Other Loans	
	12/31/99	9/30/99	12/31/99	9/30/99	12/31/99	9/30/99	12/31/99	9/30/99	12/31/99	9/30/99
New Hampshire	2.51	2.27	0.86	2.12	0.88	0.98	3.19	2.79	0.07	0.11
Delaware	1.97	1.96	0.91	0.98	1.16	1.25	2.24	2.24	0.12	0.20
Puerto Rico	1.92	2.00	1.91	2.22	1.98	2.03	1.94	1.87	1.49	1.47
Hawaii	1.81	1.99	2.45	2.52	1.92	2.18	0.55	0.93	0.58	0.47
South Dakota	1.79	1.61	1.28	1.35	0.66	0.96	2.19	1.90	0.40	0.44
Nevada	1.38	1.41	1.01	0.84	0.72	0.61	1.64	1.74	0.09	0.07
New York	1.36	1.46	1.65	1.77	1.20	1.35	2.57	2.66	0.38	0.38
Montana	1.12	1.29	2.16	2.43	0.98	1.18	0.50	0.50	0.90	0.98
Connecticut	1.10	1.33	2.84	2.46	0.74	1.15	0.44	0.27	0.77	1.06
Utah	1.05	1.01	1.04	1.10	0.67	0.64	1.30	1.19	0.52	0.75
Arizona	1.04	1.07	1.09	1.15	0.62	0.67	1.72	1.74	0.29	0.23
North Dakota	1.02	1.13	1.90	2.10	0.73	0.85	0.72	0.65	0.74	0.80
New Mexico	1.02	1.15	1.57	1.60	0.99	1.19	0.56	0.63	0.90	0.98
Rhode Island	1.01	0.97	0.99	0.71	0.40	0.49	2.61	2.77	0.44	0.65
West Virginia	0.99	0.95	2.12	1.91	0.87	0.83	0.72	0.76	0.06	0.20
Virginia	0.98	0.99	1.19	1.47	0.53	0.61	1.84	1.52	0.17	0.19
Oklahoma	0.98	1.20	1.35	1.90	1.04	1.15	0.58	0.66	0.38	0.55
Massachusetts	0.96	0.75	1.07	0.60	1.01	1.02	1.56	1.31	0.31	0.32
Arkansas	0.94	1.00	1.35	1.57	0.98	1.07	0.65	0.65	0.16	0.09
Nebraska	0.92	1.07	2.09	2.41	0.64	0.87	1.22	1.24	0.17	0.20
Tennessee	0.92	0.85	0.70	0.74	1.09	1.01	0.74	0.58	0.36	0.43
Louisiana	0.90	0.92	1.44	1.26	0.86	0.90	0.57	0.59	0.37	0.68
Texas	0.89	1.06	1.59	1.69	0.74	0.83	0.47	0.43	0.35	1.31
Pennsylvania	0.89	0.92	0.96	1.05	0.91	0.91	0.93	0.85	0.45	0.64
North Carolina	0.84	0.81	1.03	0.95	0.83	0.94	0.79	0.63	0.43	0.32
Maryland	0.82	0.79	0.97	0.87	0.90	0.88	0.35	0.37	0.54	0.61
Ohio	0.81	0.81	0.87	0.87	0.83	0.80	0.79	0.79	0.69	0.79
Kentucky	0.78	0.82	1.21	1.26	0.71	0.75	0.63	0.66	0.57	0.59
Maine	0.77	0.84	1.29	1.38	0.49	0.58	1.34	1.12	0.35	0.44
Indiana	0.77	1.20	1.11	1.49	0.63	1.23	0.89	0.87	0.43	0.68
Wyoming	0.76	0.46	1.45	1.63	0.74	0.27	0.30	0.29	0.40	0.46
Alabama	0.75	0.74	1.10	1.07	0.69	0.66	0.69	0.80	0.34	0.32
Kansas	0.75	0.84	1.56	1.84	0.57	0.65	0.82	0.86	0.17	0.16
Florida	0.73	0.74	1.14	1.13	0.71	0.73	0.27	0.46	0.24	0.30
Illinois	0.72	0.78	1.12	1.08	0.66	0.82	0.70	0.69	0.15	0.18
Wisconsin	0.70	0.83	1.03	1.12	0.63	0.71	0.97	1.12	0.22	0.56
Missouri	0.68	0.73	0.91	0.96	0.69	0.73	0.50	0.49	0.22	0.41
Michigan	0.68	0.74	0.77	0.84	0.61	0.61	0.59	0.74	0.85	1.04
California	0.67	0.76	1.07	1.28	0.53	0.60	0.24	0.24	0.50	0.44
Georgia	0.67	0.78	0.59	0.96	0.49	0.51	1.34	1.47	0.13	0.12
Oregon	0.67	0.78	0.98	1.05	0.44	0.57	1.74	1.79	0.01	0.04
Mississippi	0.66	0.66	1.14	1.28	0.59	0.58	0.64	0.58	0.17	0.17
Washington	0.66	0.73	1.02	1.19	0.58	0.63	0.42	0.45	0.13	0.13
Vermont	0.66	0.68	1.19	1.06	0.65	0.70	0.41	0.45	0.11	0.06
Minnesota	0.62	0.66	0.78	0.85	0.52	0.55	0.79	0.72	0.49	0.59
Alaska	0.60	0.56	1.15	1.20	0.29	0.32	0.19	0.19	1.97	0.52
New Jersey	0.59	0.65	0.77	0.95	0.57	0.62	0.43	0.43	0.15	0.11
Iowa	0.58	0.74	1.43	1.93	0.43	0.54	0.46	0.56	0.16	0.22
Colorado	0.57	0.68	1.17	1.47	0.38	0.45	0.90	0.93	0.23	0.30
Idaho	0.53	0.63	0.96	1.28	0.51	0.50	0.28	0.29	0.04	0.10
South Carolina	0.39	0.36	0.35	0.38	0.43	0.36	0.31	0.36	0.06	0.12
District of Columbia	0.22	0.36	0.19	0.42	0.23	0.32	0.19	0.54	0.00	0.00
U.S. and Territories	0.95	0.98	1.18	1.21	0.79	0.86	1.42	1.36	0.40	0.43

\* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or in nonaccrual status.



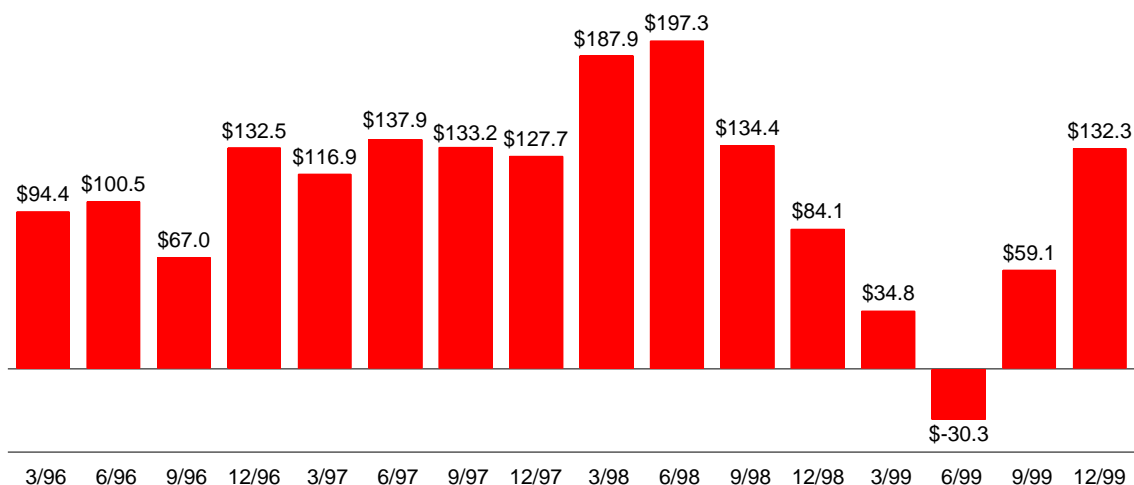
## Quarterly Change in Reported Loans Outstanding (\$ Billions)



\*In the first quarter of 1997, reporting changes resulted in a \$61.7 billion decline in foreign office loans. Loans in domestic offices increased by \$23.2 billion during the quarter.

In the fourth quarter of 1999, 1-4 family loans increased by \$50.0 billion, domestic commercial and industrial loans increased by \$28.9 billion, and credit card loans increased by \$22.7 billion.

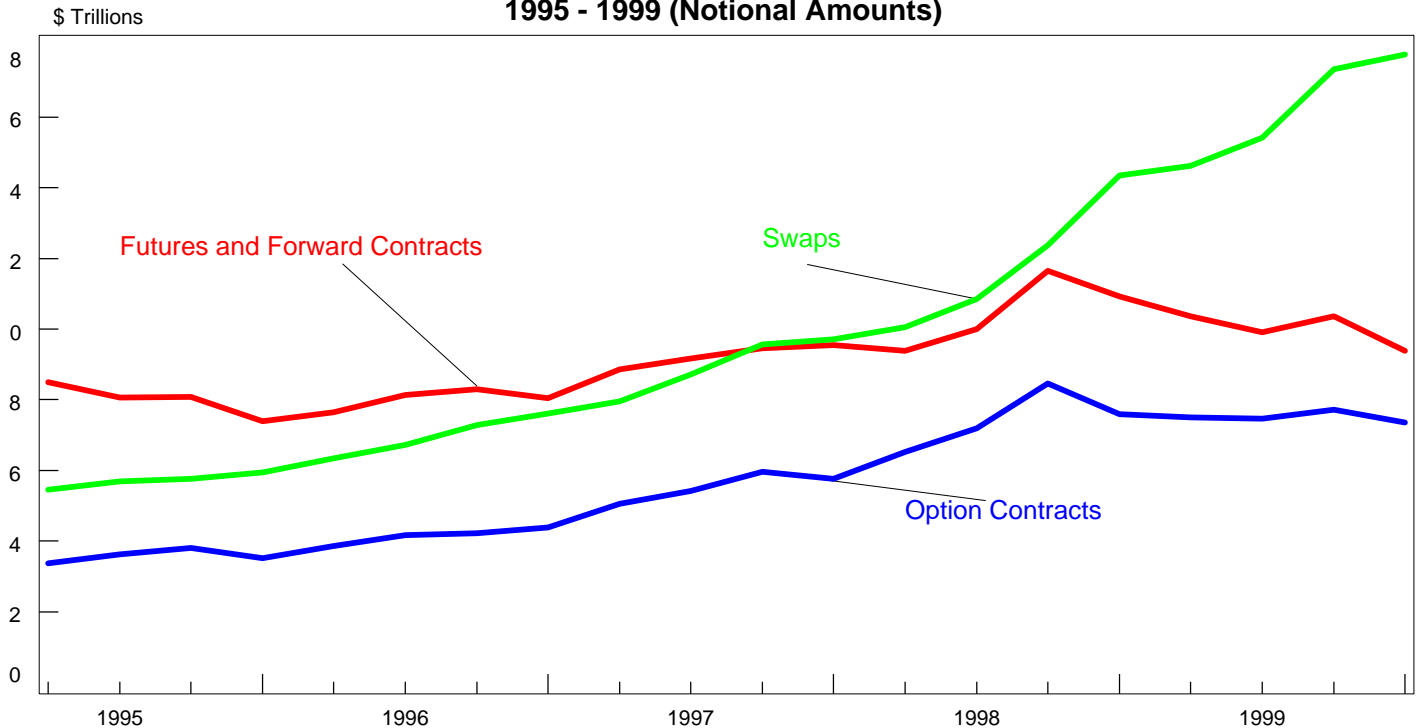
## Quarterly Change in Unused Loan Commitments (\$ Billions)



In the fourth quarter of 1999, unused credit card commitments increased by \$67.2 billion and unused commitments for loans to businesses increased by \$59.6 billion.

## Off-Balance-Sheet Derivatives

1995 - 1999 (Notional Amounts)



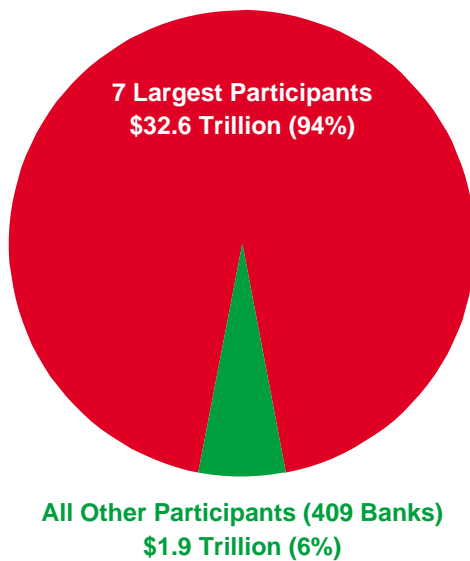
	12/95	12/96	12/97	12/98	3/99	6/99	9/99	12/99
Total Derivatives (off-balance-sheet) (Notional Amounts, in billions of dollars)	\$16,861	\$20,035	\$25,009	\$32,861	\$32,471	\$32,793	\$35,425	\$34,530
<b>Futures and Forward Contracts</b>	<b>7,399</b>	<b>8,041</b>	<b>9,551</b>	<b>10,924</b>	<b>10,358</b>	<b>9,918</b>	<b>10,357</b>	<b>9,390</b>
Interest rate contracts	3,063	3,201	4,083	5,521	5,595	5,474	5,839	5,096
Foreign exchange rate contracts	4,221	4,739	5,359	5,308	4,648	4,340	4,395	4,175
Other futures and forwards*	115	102	109	95	115	103	123	119
<b>Option Contracts</b>	<b>3,516</b>	<b>4,393</b>	<b>5,754</b>	<b>7,591</b>	<b>7,503</b>	<b>7,456</b>	<b>7,713</b>	<b>7,361</b>
Interest rate options	2,485	3,156	3,985	5,679	5,642	5,654	5,912	5,795
Foreign currency options	817	1,033	1,457	1,393	1,309	1,249	1,222	965
Other option contracts*	214	204	312	520	551	554	579	601
<b>Swaps</b>	<b>5,945</b>	<b>7,601</b>	<b>9,705</b>	<b>14,345</b>	<b>14,610</b>	<b>15,419</b>	<b>17,356</b>	<b>17,779</b>
Interest rate swaps	5,547	7,069	9,018	13,590	13,840	14,604	16,484	16,881
Foreign exchange rate swaps	350	471	614	686	697	718	767	774
Other swaps*	49	61	73	69	74	97	106	123
Memoranda								
Spot Foreign Exchange Contracts	305	262	317	375	536	497	593	66
Credit Derivatives	NA	NA	55	144	191	210	234	287
Number of banks reporting derivatives	560	484	460	447	440	437	428	416
Replacement cost of interest rate and foreign exchange rate contracts **	219	246	355	471	403	353	366	361

\* Not reported by banks with less than \$300 million in assets.

\*\* Reflects replacement cost of interest rate and foreign exchange contracts covered by risk-based-capital requirements.  
Does not include foreign exchange rate contracts with an original maturity of 14 days or less or futures contracts.

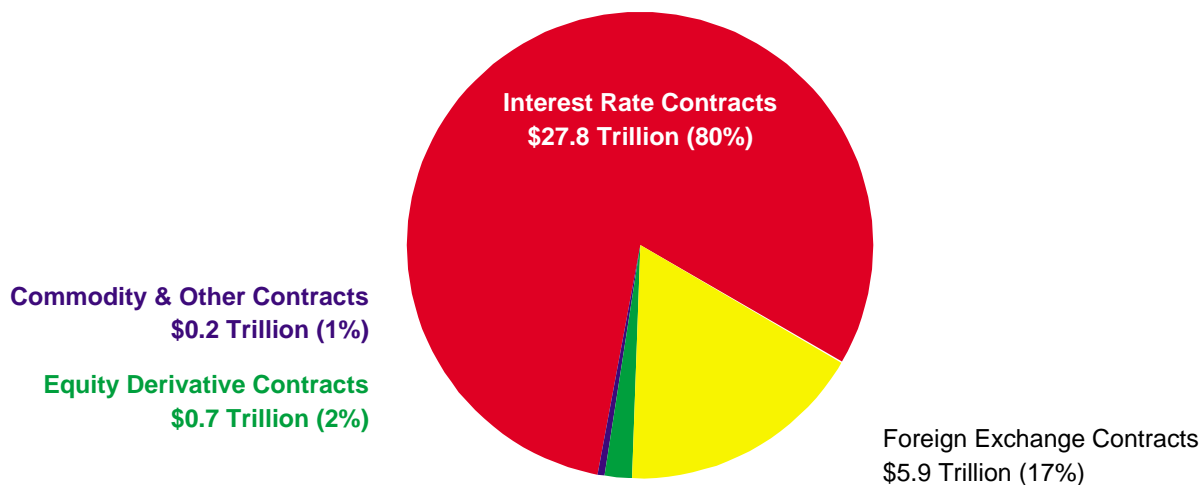
## Concentration of Off-Balance-Sheet Derivatives\*

Notional Amounts  
December 31, 1999



## Composition of Off-Balance-Sheet Derivatives\*

Notional Amounts  
December 31, 1999



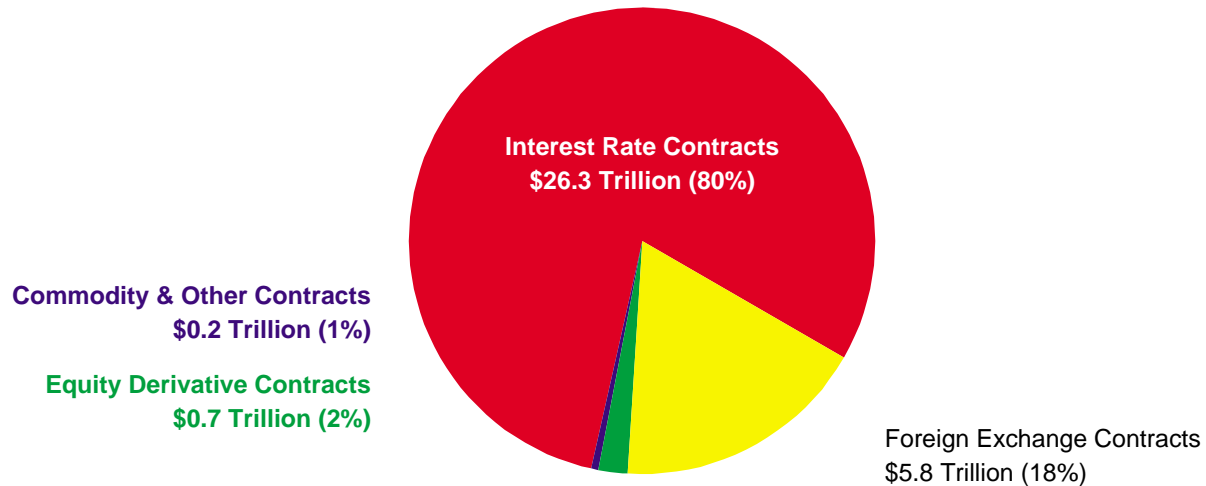
\*Amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$60 billion for the seven largest participants and \$7 billion for all others are not included.

## Purpose of Off-Balance-Sheet Derivatives\*

### Held for Trading

Notional Amounts

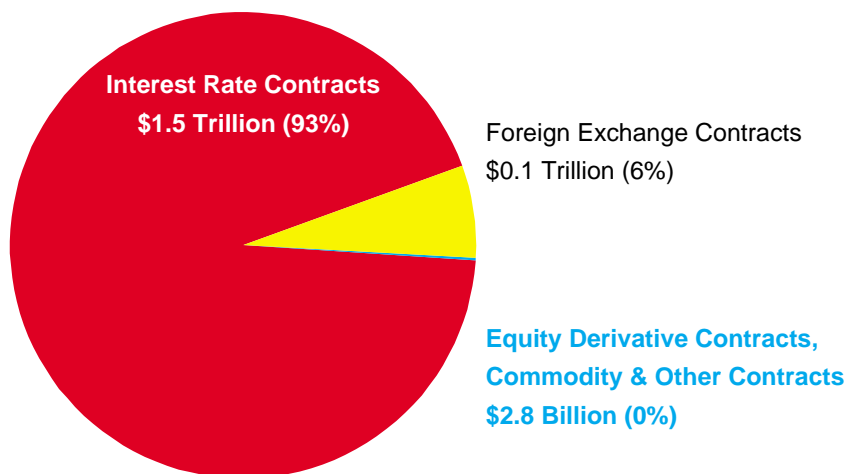
December 31, 1999



### Not Held for Trading

Notional Amounts

December 31, 1999



\* Notional amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$66 billion are not included.

## Positions of Off-Balance-Sheet Derivatives Gross Fair Values

December 31, 1999  
(\$ Millions)

### Held for Trading

93 Banks Held Derivative Contracts for Trading

(Marked to Market)

	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Seven Largest Participants</b>						
Gross positive fair value	224,308	114,671	57,538	8,464	404,982	4,278
Gross negative fair value	221,088	110,765	60,651	8,200	400,704	
<b>All other participants</b>						
Gross positive fair value	5,653	7,499	512	499	14,163	474
Gross negative fair value	5,632	7,082	379	596	13,689	
<b>Total</b>						
Gross positive fair value	229,961	122,170	58,050	8,963	419,145	4,752
Gross negative fair value	226,720	117,847	61,030	8,796	414,393	

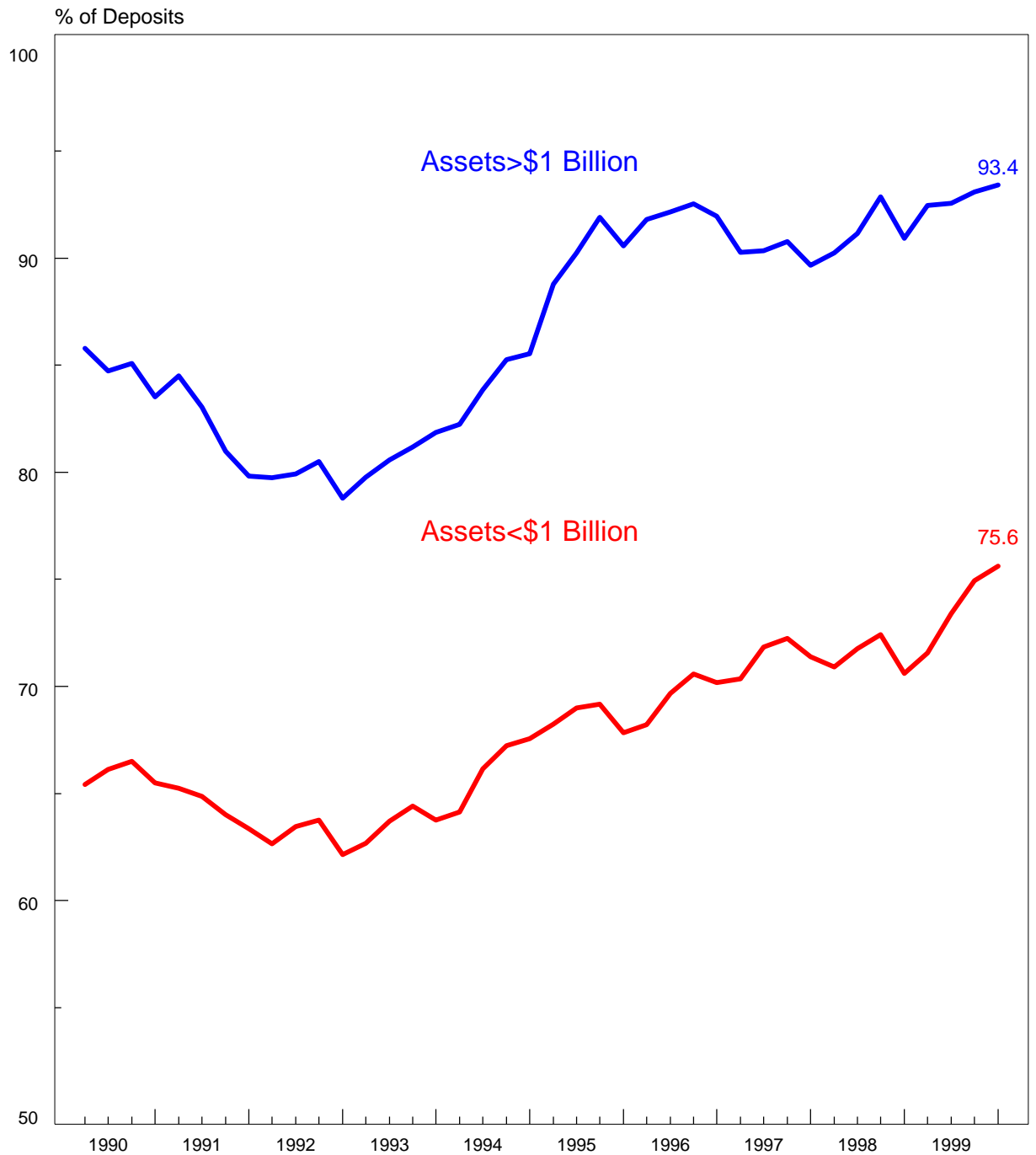
### Held for Purposes Other than Trading

399 Banks Held Derivative Contracts for Purposes Other than Trading

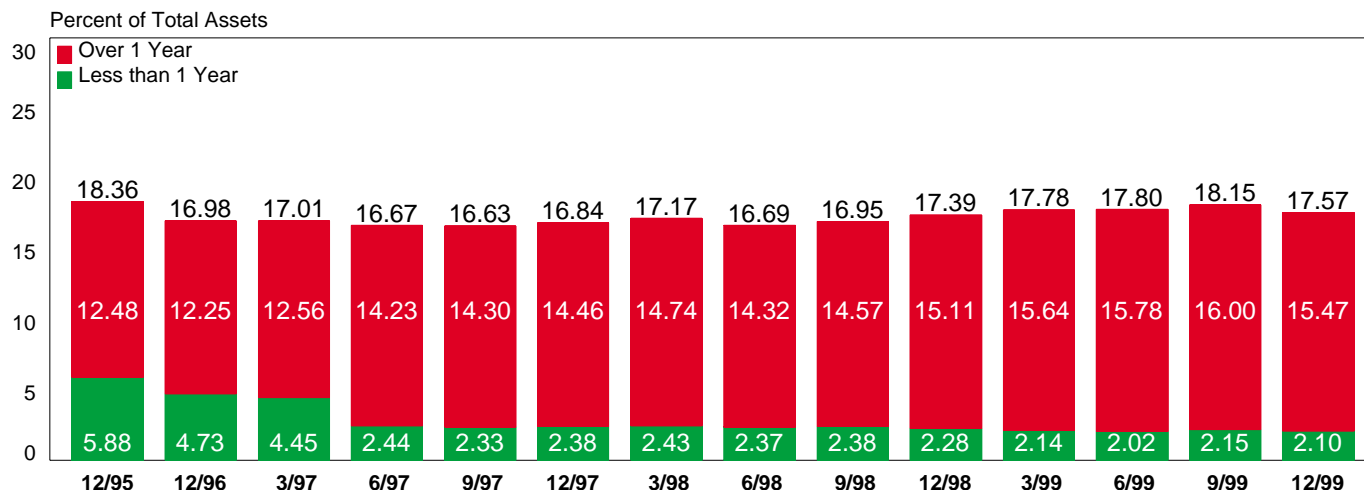
	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Marked to Market</b>						
Gross positive fair value	1,526	376	52	0	1,954	476
Gross negative fair value	1,307	118	51	1	1,477	
<b>Not Marked to Market</b>						
Gross positive fair value	6,015	726	115	57	6,913	(2,780)
Gross negative fair value	8,598	997	38	60	9,693	
<b>Total</b>						
Gross positive fair value	7,541	1,101	167	57	8,866	(2,304)
Gross negative fair value	9,905	1,115	90	61	11,170	

# Net Loans and Leases to Deposits

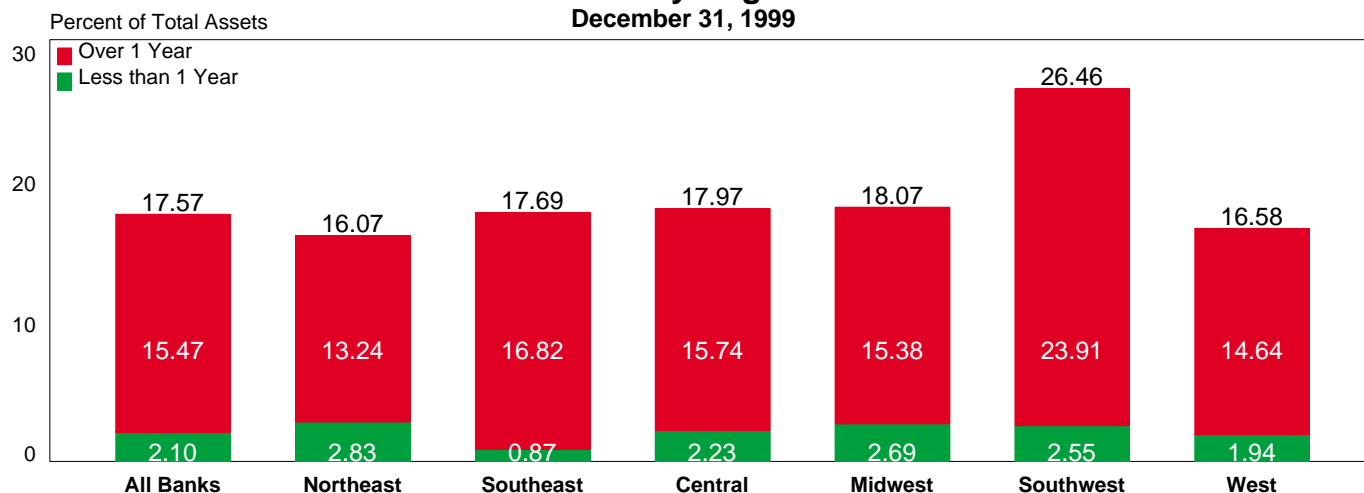
1990 - 1999



## Debt Securities by Maturity or Repricing Frequency . . .



## . . . and by Region December 31, 1999

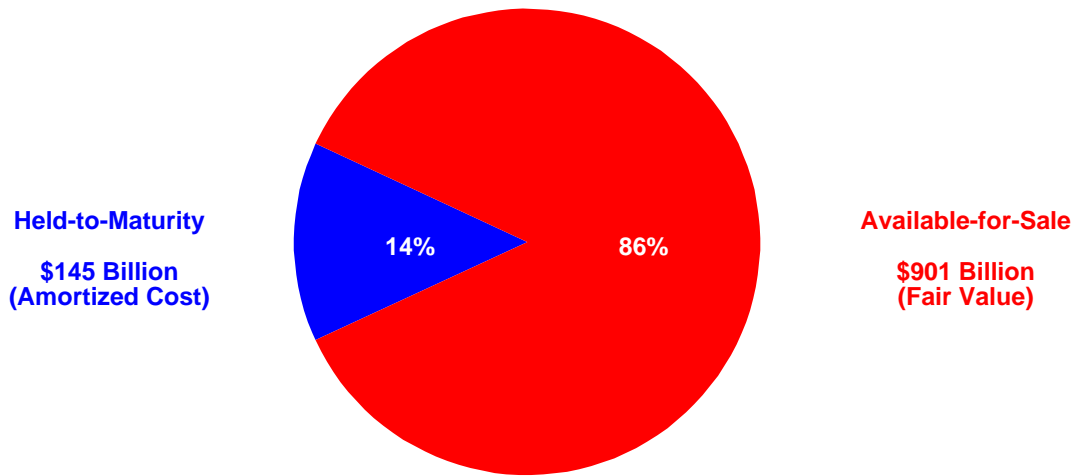


## Total Securities (Debt and Equity) (\$ Billions)

	12/97	3/98	6/98	9/98	12/98	3/99	6/99	9/99	12/99
U.S. Government Obligations:	\$303	\$314	\$309	\$286	\$287	\$317	\$318	\$320	\$321
U.S. Treasury	155	162	150	125	116	129	118	115	113
U.S. Agencies	148	151	159	162	171	188	199	205	208
Mortgage Pass-through Securities	256	268	252	277	311	291	282	285	285
Collateralized Mortgage Obligations	128	134	141	156	159	164	164	170	170
State, County, Municipal Obligations	77	78	80	84	87	88	88	89	89
Other Debt Securities	83	84	84	90	103	102	123	138	144
Equity Securities	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>32</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>37</u>
Total Securities	\$872	\$905	\$894	\$923	\$980	\$995	\$1,007	\$1,036	\$1,046
Memoranda									
Fair Value of High-risk Mortgage Securities	3	3	3	5	7	*	*	*	*
Fair Value of Structured Notes	9	8	8	6	5	4	4	4	4

\* Not reported after 12/31/98.

**Total Securities\***  
December 31, 1999



**Total Securities\***  
December 31, 1999  
(\$ Millions)

	Held-to-Maturity		Available-for-Sale			
	Amortized Cost	Fair Value to Amortized Cost (%)	Fair Value	Fair Value to Amortized Cost (%)	Total Securities	Fair Value to Amortized Cost (%)
U.S. Government Obligations						
U.S. Treasury	\$9,162	99.6	\$103,872	96.5	\$113,034	96.7
U.S. Agencies	45,433	97.1	162,437	97.2	207,869	97.2
Mortgage Pass-through Securities	27,069	98.3	257,886	96.7	284,956	96.9
Collateralized Mortgage Obligations	24,954	97.0	144,568	97.1	169,522	97.1
State, County, Municipal Obligations	30,817	99.1	58,347	98.1	89,164	98.5
Other Debt Securities	7,607	96.9	136,789	99.2	144,396	99.1
Equity Securities	**	**	37,230	106.1	37,230	106.1
<b>Total Securities</b>	<b>\$145,042</b>	<b>97.9</b>	<b>\$901,129</b>	<b>97.7</b>	<b>\$1,046,171</b>	<b>97.7</b>
Memoranda***						
Structured Notes	3,644		3,510			96.3

\* Excludes trading account assets.

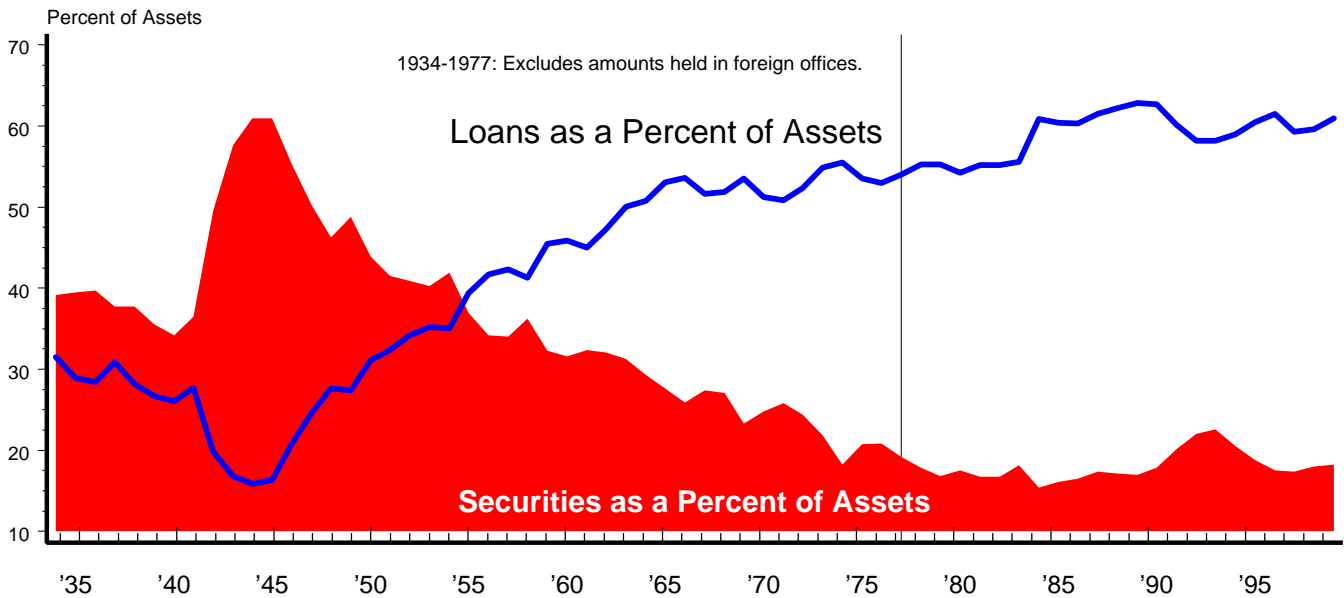
\*\* Equity Securities are classified as 'Available-for-Sale'.

\*\*\* Structured notes are included in the 'Held-to-Maturity' or 'Available-for-Sale' accounts.



## Loans and Securities\* as a Percent of Assets

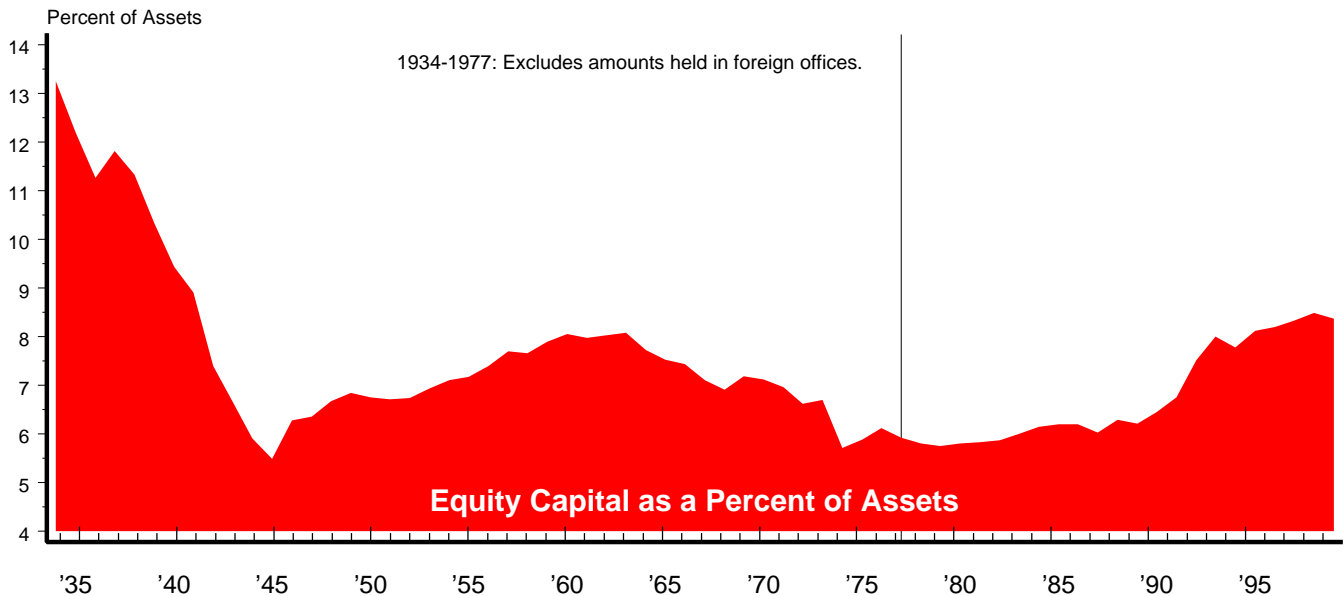
1934 - 1999



\*Excludes trading account assets

## Equity Capital as a Percent of Assets

1934 - 1999



# Loans, Securities,\* and Equity Capital

December 31, 1934 - December 31, 1999

(Dollar figures in Millions)

Year	Number of Institutions	Total Securities	Loans & Leases	Total Assets	Equity Capital	As a Percent of Total Assets		
						Securities	Loans	Capital
1999	8,580	1,046,171	3,491,359	5,734,843	479,875	18.2	60.9	8.37
1998	8,774	979,704	3,238,331	5,441,055	462,169	18.0	59.5	8.49
1997	9,142	871,868	2,970,742	5,014,951	417,778	17.4	59.2	8.33
1996	9,527	800,648	2,811,279	4,578,314	375,270	17.5	61.4	8.20
1995	9,940	810,872	2,602,963	4,312,676	349,571	18.8	60.4	8.11
1994	10,451	823,024	2,358,212	4,010,517	312,084	20.5	58.8	7.78
1993	10,958	836,710	2,149,735	3,706,165	296,491	22.6	58.0	8.00
1992	11,462	772,939	2,031,974	3,505,663	263,403	22.0	58.0	7.51
1991	11,921	691,385	2,052,754	3,430,682	231,699	20.2	59.8	6.75
1990	12,343	604,622	2,110,170	3,389,490	218,616	17.8	62.3	6.45
1989	12,709	558,639	2,058,195	3,299,362	204,823	16.9	62.4	6.21
1988	13,123	535,995	1,932,376	3,130,796	196,545	17.1	61.7	6.28
1987	13,703	520,713	1,829,174	2,999,949	180,651	17.4	61.0	6.02
1986	14,199	484,865	1,756,438	2,940,699	182,144	16.5	59.7	6.19
1985	14,407	439,407	1,630,790	2,730,672	169,118	16.1	59.7	6.19
1984	14,482	385,540	1,508,513	2,508,749	154,091	15.4	60.1	6.14
1983	14,460	424,198	1,316,854	2,341,955	140,459	18.1	56.2	6.00
1982	14,446	367,008	1,224,405	2,193,867	128,698	16.7	55.8	5.87
1981	14,408	339,674	1,131,312	2,029,151	118,241	16.7	55.8	5.83
1980	14,435	325,015	1,016,476	1,855,695	107,599	17.5	54.8	5.80
1979	14,364	284,146	944,809	1,692,080	97,242	16.8	55.8	5.75
1978	14,391	269,290	840,972	1,508,331	87,418	17.9	55.8	5.80
1977	14,412	257,261	729,723	1,339,392	79,280	19.2	54.5	5.92
1976	14,411	246,132	633,031	1,182,390	72,248	20.8	53.5	6.11
1975	14,384	225,639	590,111	1,086,409	63,854	20.8	54.3	5.88
1974	14,228	188,807	583,871	1,037,338	59,221	18.2	56.3	5.71
1973	13,976	179,401	455,197	820,515	54,957	21.9	55.5	6.70
1972	13,733	178,459	388,902	730,903	48,387	24.4	53.2	6.62
1971	13,612	163,681	328,226	633,573	44,062	25.8	51.8	6.96
1970	13,511	141,370	298,190	570,167	40,590	24.8	52.3	7.12
1969	13,473	122,019	286,752	524,665	37,687	23.3	54.7	7.18
1968	13,488	135,242	264,671	500,238	34,518	27.0	52.9	6.90
1967	13,517	123,264	237,518	450,713	32,022	27.3	52.7	7.11
1966	13,541	104,286	220,332	402,946	29,963	25.9	54.7	7.44
1965	13,547	103,651	203,061	375,394	28,252	27.6	54.1	7.53
1964	13,493	100,960	178,649	345,130	26,627	29.3	51.8	7.72
1963	13,291	97,472	158,928	311,790	25,193	31.3	51.0	8.08
1962	13,124	94,912	142,718	295,983	23,732	32.1	48.2	8.02
1961	13,115	89,662	127,414	277,374	22,101	32.3	45.9	7.97
1960	13,126	81,020	119,878	256,322	20,635	31.6	46.8	8.05
1959	13,114	78,582	112,867	243,422	19,206	32.3	46.4	7.89
1958	13,124	86,056	100,087	237,474	18,164	36.2	42.1	7.65
1957	13,165	75,330	95,577	221,534	17,059	34.0	43.1	7.70
1956	13,218	73,947	91,705	216,146	15,992	34.2	42.4	7.40
1955	13,237	77,240	83,628	209,145	14,980	36.9	40.0	7.16
1954	13,323	84,142	71,412	200,589	14,255	41.9	35.6	7.11
1953	13,432	76,851	68,227	191,062	13,243	40.2	35.7	6.93
1952	13,439	76,280	64,728	186,682	12,560	40.9	34.7	6.73
1951	13,455	73,673	58,184	177,449	11,905	41.5	32.8	6.71
1950	13,446	73,198	52,482	166,792	11,261	43.9	31.5	6.75
1949	13,436	75,824	43,047	155,319	10,628	48.8	27.7	6.84
1948	13,419	70,339	42,388	152,163	10,139	46.2	27.9	6.66
1947	13,403	76,712	37,592	152,773	9,707	50.2	24.6	6.35
1946	13,359	81,469	30,740	147,365	9,254	55.3	20.9	6.28
1945	13,302	96,066	25,769	157,582	8,631	61.0	16.4	5.48
1944	13,268	82,053	21,355	134,613	7,944	61.0	15.9	5.90
1943	13,274	64,678	18,843	112,246	7,454	57.6	16.8	6.64
1942	13,347	47,344	18,907	95,459	7,056	49.6	19.8	7.39
1941	13,427	28,032	21,262	76,827	6,842	36.5	27.7	8.91
1940	13,438	24,163	18,398	70,720	6,673	34.2	26.0	9.44
1939	13,534	22,428	16,866	63,147	6,524	35.5	26.7	10.33
1938	13,657	21,451	16,024	56,800	6,435	37.8	28.2	11.33
1937	13,795	20,476	16,750	54,212	6,404	37.8	30.9	11.81
1936	13,969	22,307	15,965	56,210	6,329	39.7	28.4	11.26
1935	14,123	20,116	14,719	50,926	6,210	39.5	28.9	12.20
1934	14,137	18,172	14,614	46,448	6,152	39.1	31.5	13.24

\* Excludes trading account assets.

## Mutual Fund and Annuity Sales\*

### 1998 - 1999

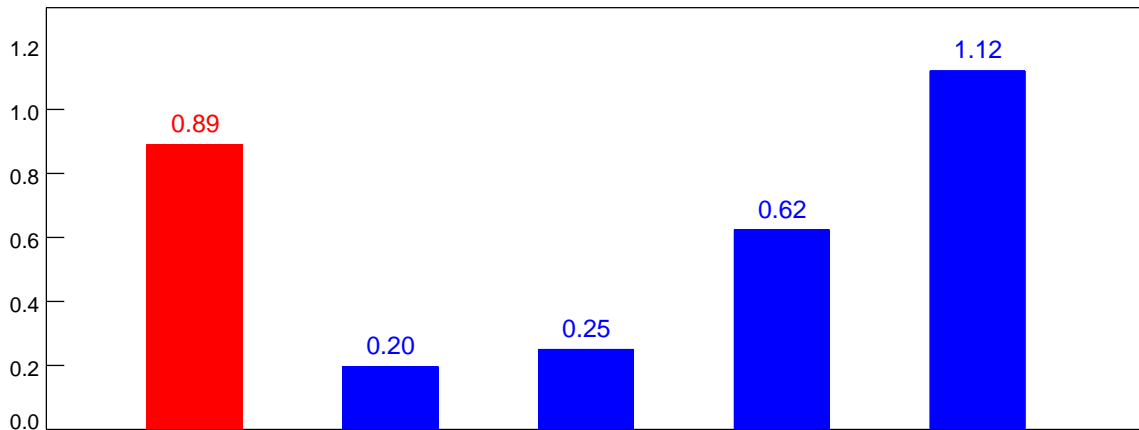
Quarterly Sales (\$ Millions)	12/98	3/99	6/99	9/99	12/99
Money Market Funds	\$380,228	\$411,499	\$445,238	\$465,853	\$568,107
Debt Securities Funds	7,530	6,322	6,788	5,257	6,181
Equity Securities	15,673	20,282	18,581	19,948	25,861
Other Mutual Funds	2,622	2,809	2,578	2,344	2,828
Annuities	3,801	4,099	5,254	5,465	5,222
Proprietary Mutual Fund and Annuity Sales included above	365,515	403,125	439,126	452,498	556,651

\* Domestic office sales of proprietary, private label and third-party funds and annuities. Does not reflect redemptions.

## Fee Income from Sales and Service of Mutual Funds and Annuities

### Calendar Year 1999

Percent of Gross Operating Income\*\*

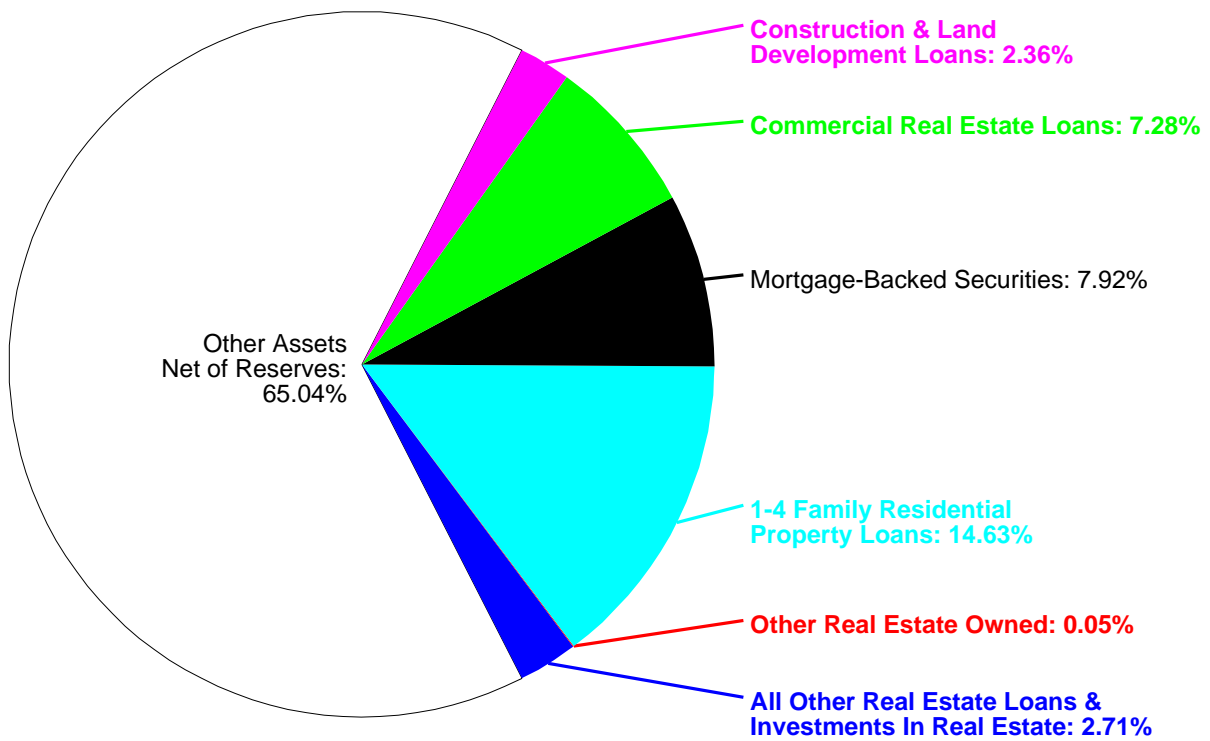


(\$ Millions)	All Banks	Under \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Over \$10 Billion
Mutual Fund and Annuity Fee Income	\$4,560	\$40	\$164	\$528	\$3,828
Gross Operating Income	\$511,792	\$20,311	\$65,443	\$84,545	\$341,493
Number of Banks Reporting These Fees	2,146	660	1,205	213	68
Percent of Banks Reporting These Fees	25.0%	12.8%	39.8%	67.0%	89.5%

\*\*Gross operating income is the total of interest income and noninterest income.

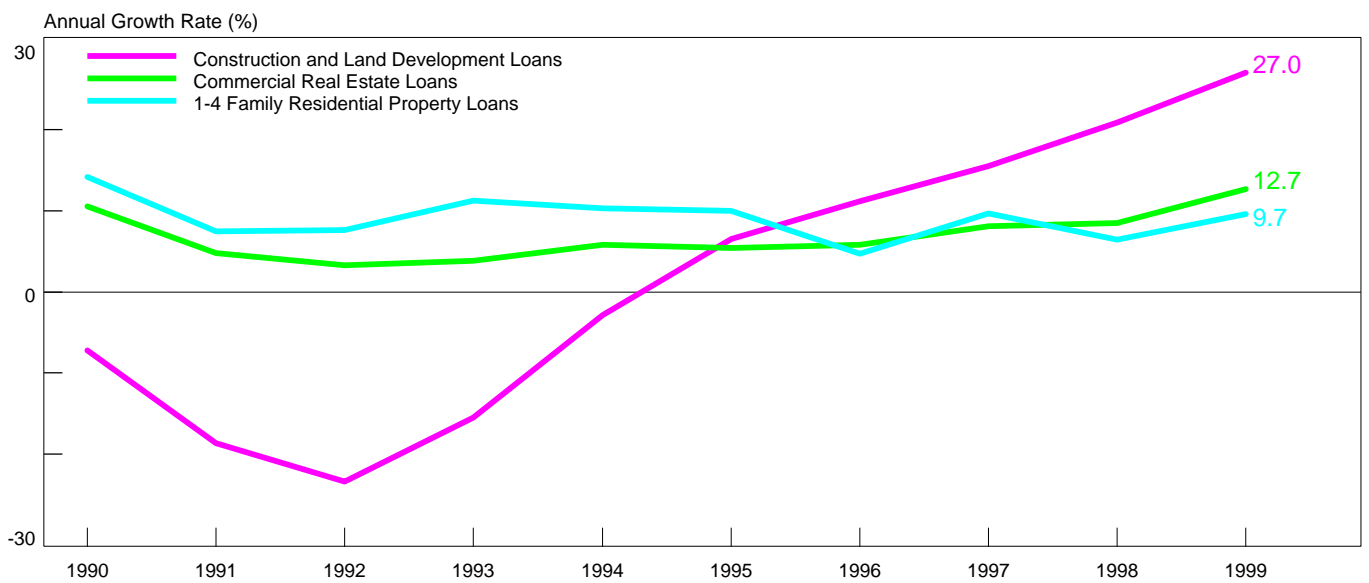
## Real Estate Assets as a Percent of Total Assets

December 31, 1999



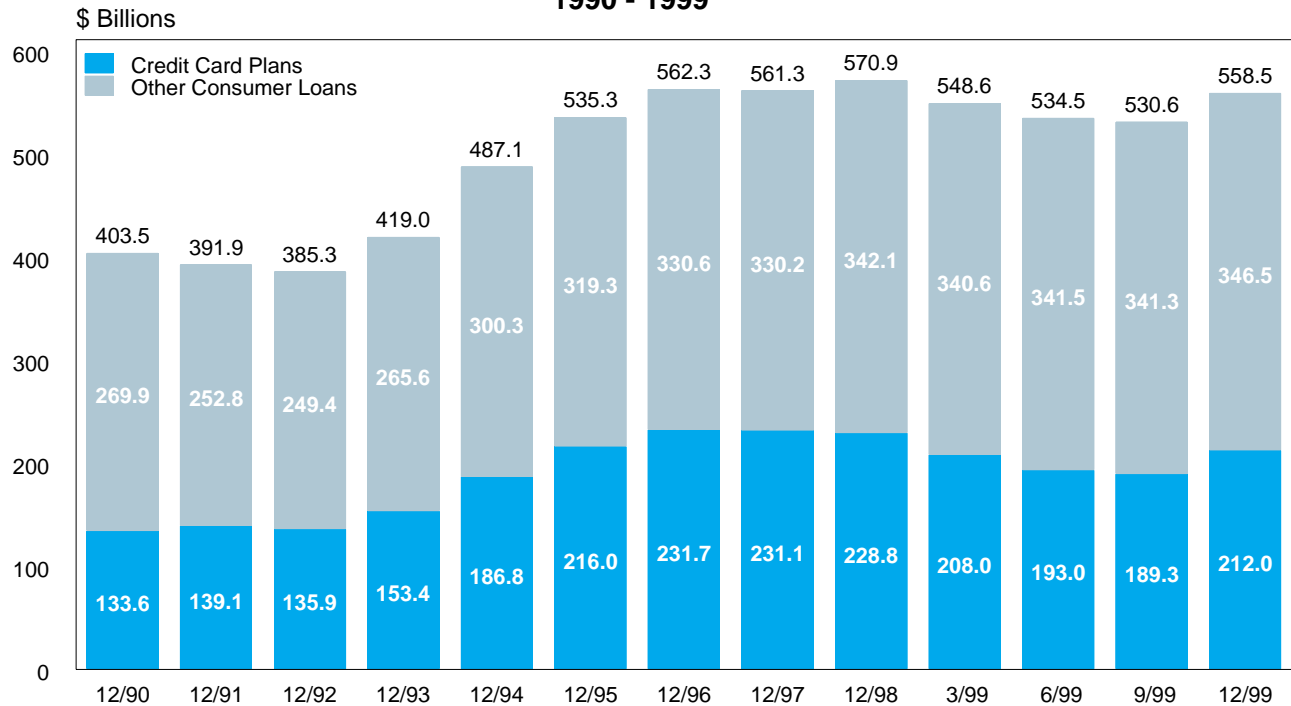
## Real Estate Loan Growth Rates

1990 - 1999



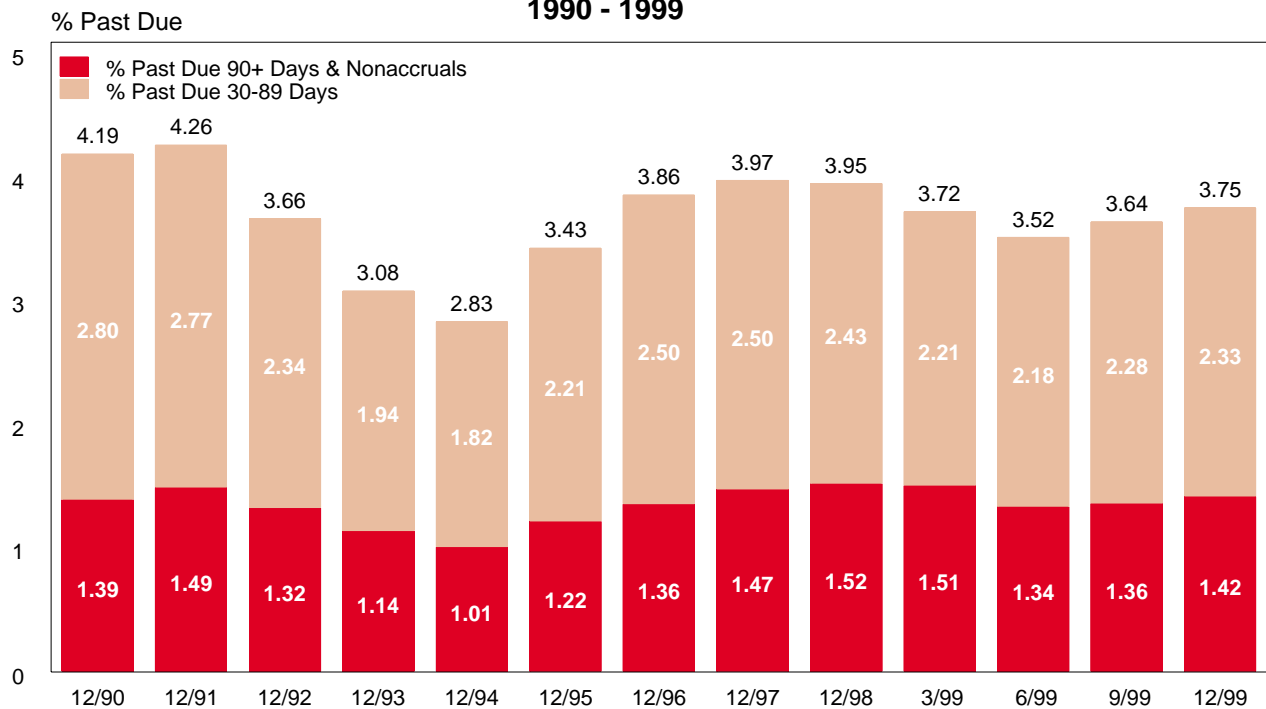
## Loans to Individuals

1990 - 1999

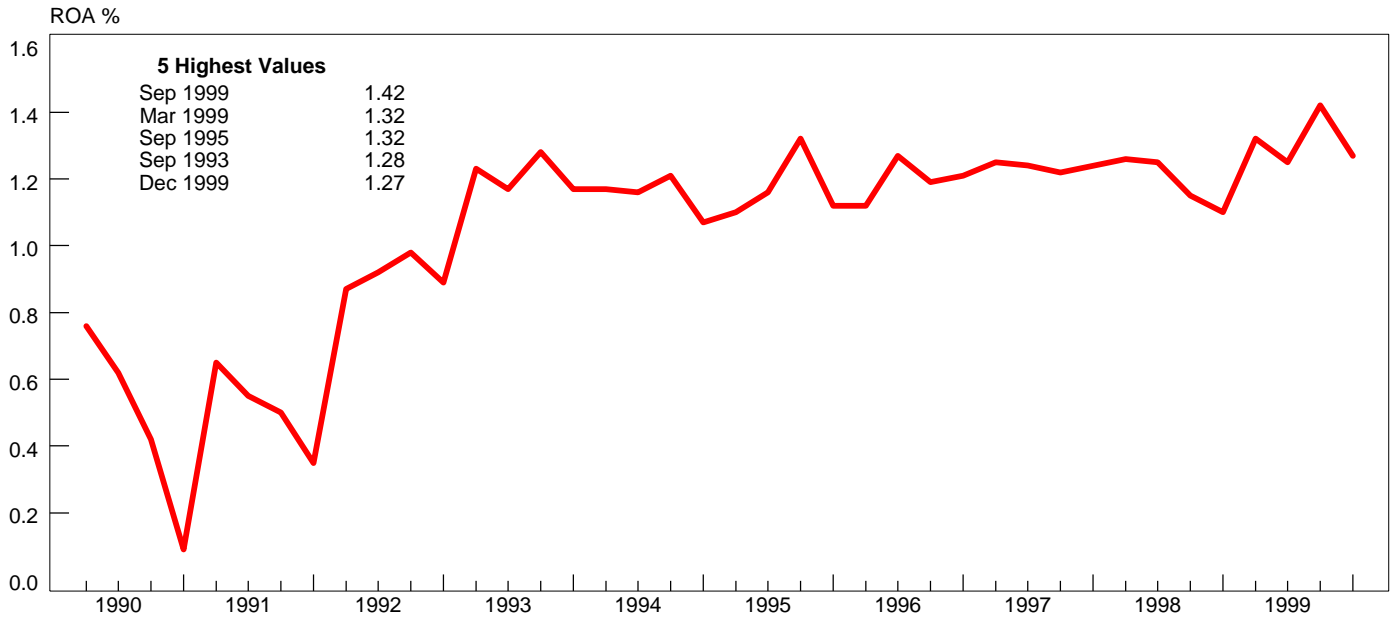


## Delinquency Rates, Loans to Individuals

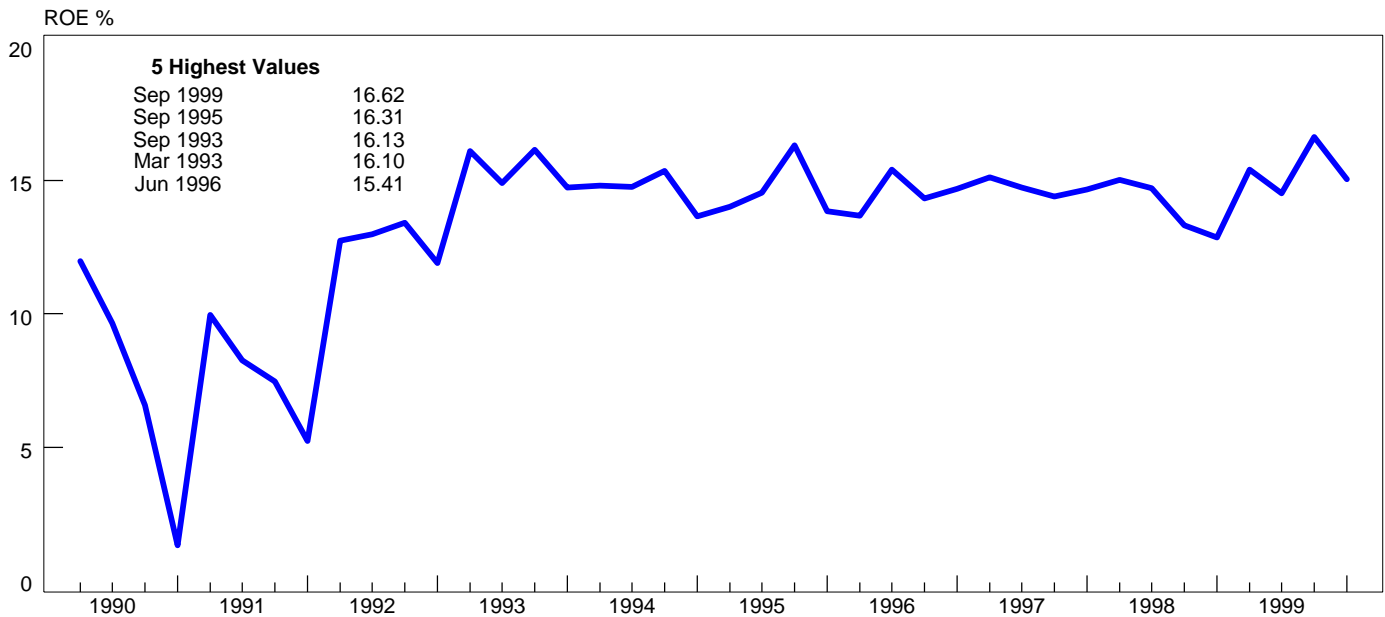
1990 - 1999



## Quarterly Return on Assets (ROA), Annualized 1990 - 1999

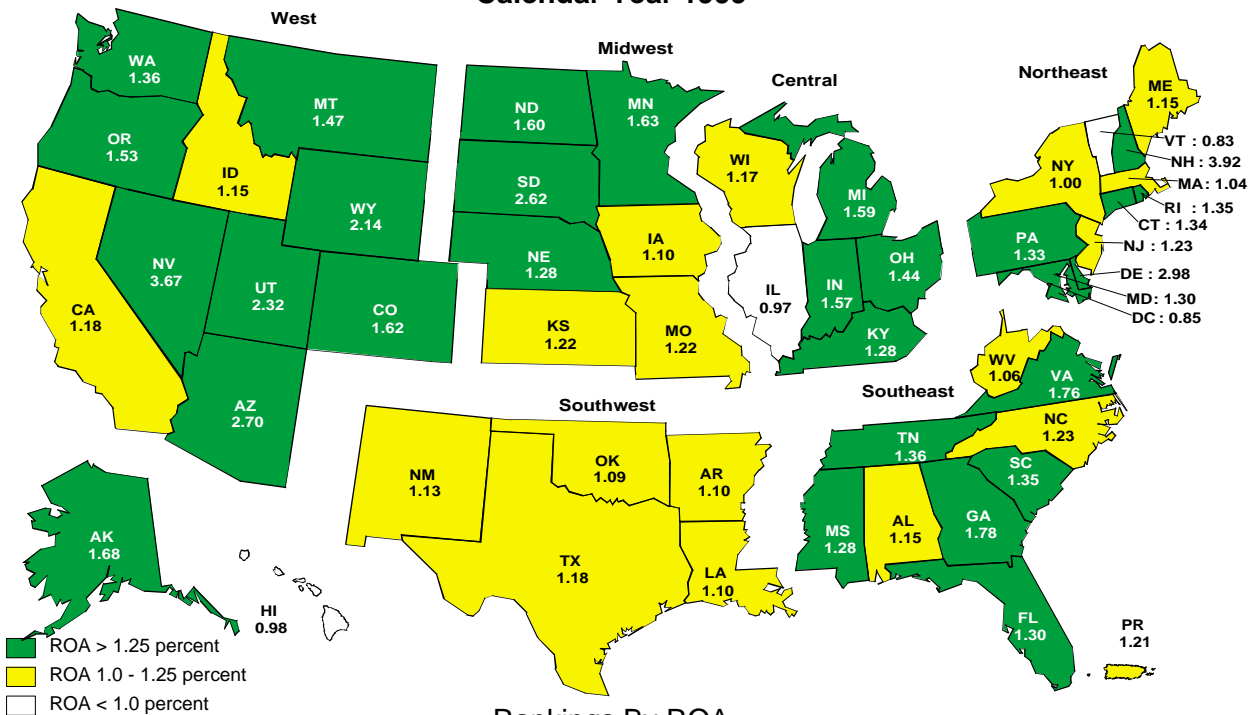


## Quarterly Return on Equity (ROE), Annualized 1990 - 1999



# Return On Assets (ROA)

Calendar Year 1999



## Rankings By ROA

	No. of Inst. as of 12/31/99	1999	1998	Change*		No. of Inst. as of 12/31/99	1999	1998	Change*
1 New Hampshire	19	3.92	2.99	93	28 Mississippi	99	1.28	1.27	1
2 Nevada	27	3.67	2.99	68	29 Nebraska	301	1.28	1.23	5
3 Delaware	33	2.98	3.15	(17)	30 New Jersey	75	1.23	1.24	(1)
4 Arizona	45	2.70	2.02	68	31 North Carolina	71	1.23	1.28	(5)
5 South Dakota	102	2.62	2.54	8	32 Kansas	387	1.22	1.22	0
6 Utah	51	2.32	2.27	5	33 Missouri	365	1.22	1.35	(13)
7 Wyoming	50	2.14	2.66	(52)	34 Puerto Rico	12	1.21	1.23	(2)
8 Georgia	345	1.78	1.61	17	35 California	325	1.18	0.78	40
9 Virginia	147	1.76	1.60	16	36 Texas	754	1.18	1.11	7
10 Alaska	6	1.68	1.79	(11)	37 Wisconsin	337	1.17	1.14	3
11 Minnesota	497	1.63	1.59	4	38 Alabama	156	1.15	1.15	0
12 Colorado	188	1.62	1.27	35	39 Idaho	17	1.15	1.30	(15)
13 North Dakota	114	1.60	1.43	17	40 Maine	16	1.15	1.78	(63)
14 Michigan	171	1.59	1.48	11	41 New Mexico	54	1.13	1.10	3
15 Indiana	158	1.57	1.35	22	42 Arkansas	195	1.10	1.22	(12)
16 Oregon	44	1.53	2.17	(64)	43 Iowa	439	1.10	1.19	(9)
17 Montana	85	1.47	1.44	3	44 Louisiana	153	1.10	1.19	(9)
18 Ohio	219	1.44	1.38	6	45 Oklahoma	300	1.09	1.11	(2)
19 Tennessee	201	1.36	1.28	8	46 West Virginia	82	1.06	1.51	(45)
20 Washington	81	1.36	1.33	3	47 Massachusetts	45	1.04	1.16	(12)
21 Rhode Island	6	1.35	1.50	(15)	48 New York	150	1.00	0.68	32
22 South Carolina	77	1.35	1.37	(2)	49 Hawaii	10	0.98	0.80	18
23 Connecticut	24	1.34	0.96	38	50 Illinois	725	0.97	1.05	(8)
24 Pennsylvania	193	1.33	1.45	(12)	51 District of Col.	6	0.85	0.70	15
25 Florida	272	1.30	1.16	14	52 Vermont	20	0.83	1.28	(45)
26 Maryland	77	1.30	1.14	16					
27 Kentucky	248	1.28	1.29	(1)	U.S. and Terr.	8,580	1.31	1.19	12

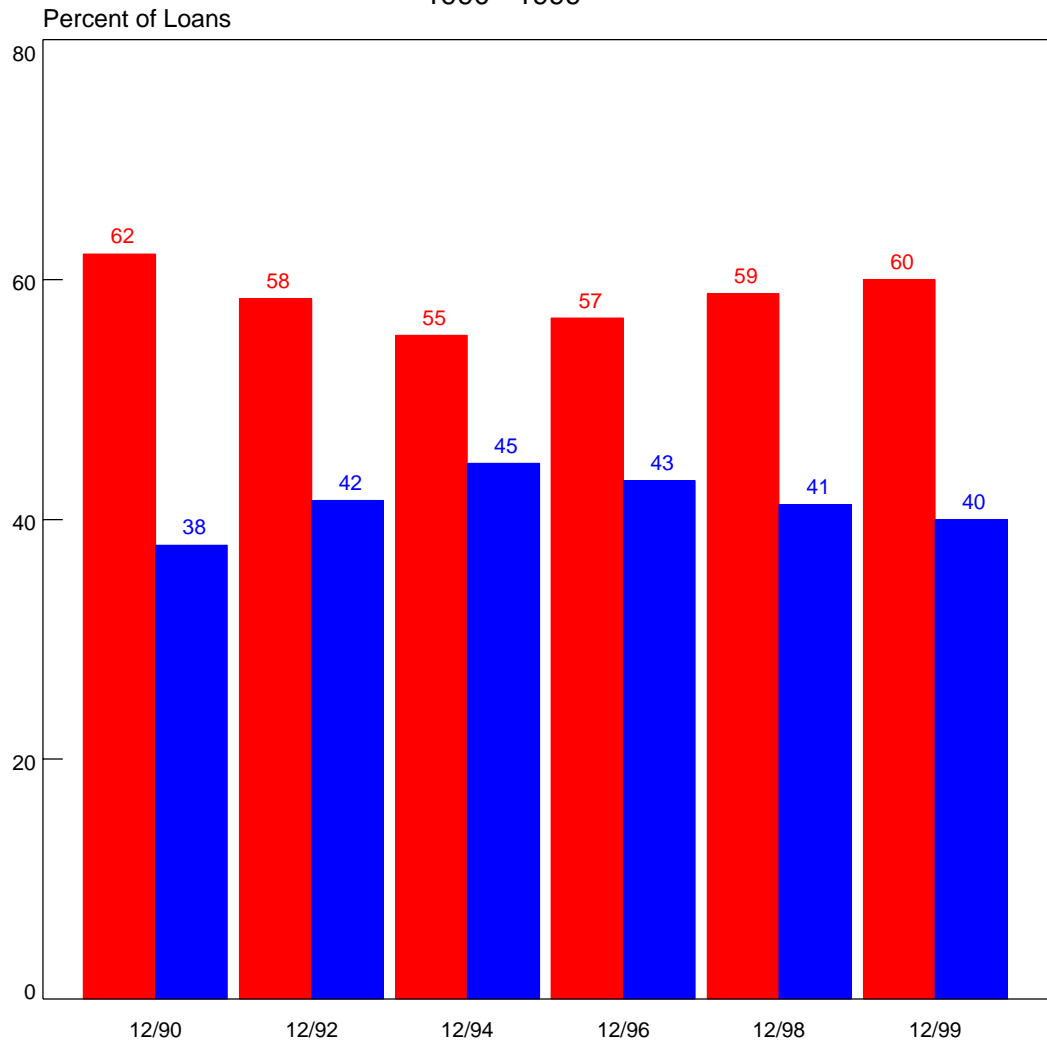
\*ROA minus ROA for the same period one year ago equals change in basis points. Basis point=1/100 of a percent.

Results for four of the states with the highest ROAs (SD, NV, DE, & NH) were significantly influenced by the presence of large credit card operations.

## Credit Risk Diversification

### Consumer Loans versus Loans to Commercial Borrowers (as a Percent of Total Loans)

1990 - 1999



#### Loans (\$ Billions):

Commercial Borrowers	\$1,320	\$1,192	\$1,308	\$1,599	\$1,906	\$2,097
Consumer Loans	804	849	1,056	1,218	1,336	1,398

**Loans to Commercial Borrowers (Credit Risk Concentrated)** - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's capital or income. These loans include commercial and industrial loans, commercial real estate, construction loans, and agricultural loans.

**Consumer Loans (Credit Risk Diversified)** - These are loans that typically have relatively small balances spread among a large number of borrowers. A number of defaults are likely but typically do not impair an institution's capital or income. These loans include consumer and credit card loans, 1-4 family residential mortgages and home equity loans.